



Daily Report

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19 January 1993

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General

Chinese Foreign Ministry Spokesman on Gulf Events

OW1801100493 Beijing XINHUA in English
0954 GMT 18 Jan 93

[Text] Beijing, January 18 (XINHUA)—China does not want to see further deterioration of the situation in the Gulf region, a Chinese Foreign Ministry spokesman said here today.

The spokesman made the statement when asked to comment on the latest cruise missile attacks by the United States against Iraq. [Beijing XINHUA Domestic Service in Chinese at 1058 GMT on 18 January carries a similar report but deletes "by the United States"]

"We do not wish to see a continued deterioration of the Gulf situation. We have always maintained that international disputes should be settled through peaceful means," the spokesman said.

PRC Reportage on Developing Iraqi Situation

UN Rejects Iraq's Conditional Approval

OW1701025393 Beijing XINHUA in English
0219 GMT 17 Jan 93

[Text] United Nations, January 16 (XINHUA)—The United Nations today rejected Iraq's conditional permission for U.N. planes to resume flights to the country via Jordan.

Iraqi Deputy Prime Minister Tariq 'Aziz said earlier today that his country would allow the U.N. Special Commission's inspection flights into Iraq but could not guarantee their safety unless the flights stayed out of the two no-fly zones set up by allies to bar Iraqi aircraft.

Tim Trevan, spokesman for the U.N. Special Commission monitoring Iraq's disarmament, said here today that the commission had notified Iraq that it "cannot operate effectively if we are forced to enter Iraq through the airspace of Jordan."

The commission needed to use the short route between Bahrain and Baghdad, not the longer one as Iraq had proposed, Trevan said.

Earlier today, U.S. President George Bush said at Camp David that he would "wait and see" whether Iraq's response is acceptable before deciding the next step.

The United States, Britain and France bombed the missile sites in southern Iraq Wednesday [13 January] as a result of Iraq's ban on U.N. flights into the country and other Iraqi violations of U.N. Security Council resolutions.

Nuclear Site Attacked

OW1701231193 Beijing XINHUA in English
2250 GMT 17 Jan 93

["Roundup" feature by Yu Dabo]

[Text] Cairo, January 17 (XINHUA)—The confrontation between Iraq and the West culminated this evening in a missile attack by U.S. Navy ships on a nuclear site south of Baghdad.

According to reports from Washington, Pentagon officials confirmed that U.S. warships in the Gulf and Red Sea fired more than 30 Tomahawk cruise missiles at the targets.

The attack was launched shortly after 17:00 GMT. It followed a series of skirmishes in northern Iraq between allied troops and Iraqi forces.

Earlier in the day, American warplanes hit an Iraqi surface-to-air missile battery and shot down an Iraqi MiG fighter over the "no-fly zone" in northern Iraq.

The zone was set up by the U.S.-led coalition in April 1991 allegedly to create a safe haven for Iraq's Kurdish minority there.

Al-Rashid Hotel, a central gathering spot for foreign journalists in Baghdad, reportedly was damaged during today's missile strike. At least one person, a hotel employee, was killed and more than 30 others were wounded.

The American Cable News Network CNN quoted a witness as saying that an orange fireball came at the hotel, looking like a rocket.

The footage showed a deep crater in the courtyard of the hotel, the shattered lobby and the body of the victim.

Just before the missile strike, Iraqi President Saddam Husayn warned of "a final and decisive chapter" in the Iraqi-Western conflict.

"The aggressors will fail in their evil purposes this time again," Saddam said in a nationally-televised speech marking the second anniversary of the start of the Gulf war that ended Iraq's seven-month-old occupation of Kuwait.

Also today, thousands of Iraqis took to the streets for the "aggression day" declared by the government to mark the war anniversary.

The latest hostilities took place three days before outgoing U.S. President George Bush is to hand over power to his successor Bill Clinton.

White House Press Secretary Marlin Fitzwater did not rule out the possibility of more attacks if Baghdad continues to defy U.N. resolutions, including U.N. inspection missions.

The official IRAQI NEWS AGENCY reported that Iraq's air defense forces "repulsed enemy targets" three times today over the "no-fly zone" north of the 36th parallel.

"Iraqi air defenses repulsed enemy targets," an unidentified military spokesman was quoted as saying.

The Iraqi repulsions, if confirmed, would be the latest since Friday, when two allied warplanes came under Iraqi anti-aircraft fire in the northern "no-fly zone."

The spokesman said the incidents occurred at 10:00 a.m. local time (07:00 GMT), 10:05 a.m. and 10:30 a.m. near the northern city of Mosul.

The agency also reported that Iraq had made a new offer to allow flights of U.N. weapons inspection teams into its territory if the United Nations prevents allied flights in the southern "no-fly zone" imposed by the West last August allegedly to protect Shiite Moslems there from attacks by government troops.

It quoted a Foreign Ministry statement as saying that such flights would be strictly coordinated between the U.N. special commission monitoring Security Council resolutions enforcement and Iraqi authorities.

On Wednesday, the Western allies launched an air strike against Iraqi military targets in southern Iraq, south of the 32nd parallel, where Iraqi flights are banned as north of the 36th parallel.

The attack, which involved more than 100 U.S., French and British warplanes, was meant to punish Baghdad for alleged violations of the Gulf war ceasefire resolutions.

Iraq remained defiant despite the strike. It threatened on Saturday to down allied planes entering its airspace.

In another development, three Iraqis infiltrated into Kuwaiti territory and were thwarted by a Kuwaiti patrol today.

In an exchange of fire, one infiltrator was killed and another captured, and the third was wounded but managed to flee, the Kuwaiti news agency reported.

The incursion occurred as about 300 U.S. special forces in Kuwait for exercises held maneuvers in desert areas close to the Iraq-Kuwait border.

In another development, Kuwaiti Information Minister Shaykh Sa'ud al-Sabah today confirmed that Iraq has abandoned six police posts on the U.N.-set Kuwaiti-Iraqi border.

The U.N. Security Council endorsed the new border in November, which Iraq has rejected.

U.N. officers at the border zone said that the five Iraqi police officers and 41 policemen deserted the posts spreading along a 45-kilometer stretch of the border.

The withdrawal came nearly two days after a U.N.-imposed deadline which demanded that Iraq remove the posts by midnight Friday.

Earlier reports said Iraq had promised to remove the posts by the end of today.

'Roundup' on Missile Strikes

OW1801013293 Beijing XINHUA in English
0027 GMT 18 Jan 93

["Roundup" feature]

[Text] Washington, January 17 (XINHUA)—The United States today conducted two strikes against Iraq, including a dramatic Tomahawk cruise missile attack on a nuclear facility near Baghdad.

White House spokesman Marlin Fitzwater announced this afternoon, in his second rushly-held news briefing in a day, that U.S. Tomahawk cruise missiles were launched at a nuclear facility 13 miles away from Baghdad.

Earlier, Pentagon sources said more than 40 Tomahawk missiles were fired at the nuclear facility in southern suburbs of Baghdad.

The confrontation was almost simultaneous with the arrival in Washington of U.S. President-elect Bill Clinton for taking over office on January 20.

Fitzwater said, "Today's action is designed to make clear to Iraq that non-compliance with U.N. Security Council resolutions will not be tolerated," Fitzwater said.

"This strike was designed to help achieve the goals of United Nations Security Council resolutions... to ensure that Iraq never again acquires weapons of mass destruction—nuclear, chemical and biological," he said.

The Tomahawk attacks followed an earlier incident early this morning in which a U.S. F-16 fighter shot down an Iraqi MiG-29 fighter in the "no-fly" zone in northern Iraq.

The Cable News Network (CNN) reported in a live covering from Baghdad that Iraq's anti-aircraft guns fired in night skies.

Fitzwater said there was no immediate damage assessment on whether the attack was successful in demolishing the plant.

Although Fitzwater said the U.S. targets were non-civilian ones, the CNN covered that a Baghdad hotel where most foreign journalists are staying in the capital was heavily damaged by a U.S. missile during the attack, and a hotel woman employee was killed.

Fitzwater said President George Bush made the attack decision around 6:30 this morning after conferring with his top military and security advisers, including Gen. Colin Powell, chairman of the Joint Chiefs of Staff, Secretary of Defense Richard Cheney and Secretary of State Lawrence Eagleburger.

Fitzwater said Bush also spoke this morning with British Prime Minister John Major and French President Francois Mitterrand and Canadian Prime Minister Brian Mulroney, who was invited by Bush to the Camp David to share Bush's last weekend of his administration.

The spokesman declined to comment on other specific targets that the United States might be under consideration for further attacks on Iraq, only saying that no further warning will be given of actions.

In a statement released even as he arrived in Washington, Clinton said, "I fully support President Bush's action."

"(Iraqi President) Saddam Husayn should be very clear in understanding that the current and the next administration are in complete agreement on the necessity of his fully complying with all relevant United Nations Security Council resolutions," the statement said.

In London, British Prime Minister John Major said today there was complete agreement among the allies for the latest U.S. attack on Iraq.

Major told reporters that the decision to launch the cruise missile attack on Iraq was taken after a great deal of consideration and consultation.

"There was complete agreement among the allies about the nature and timing of the response this evening," he said.

"It has been discussed for two or three days and I have had a number of discussions with President Bush," Major said.

Four British Tornado bombers joined a U.S.-led allied raid on Iraq last Wednesday, but they were not involved in today's attack.

Major said Iraqi President Saddam Husayn had been "courting trouble—he has had trouble."

It was a result of "wilful disobeying the requirements of the international community time and time and time again," he added.

Major refused to say whether there would be further attacks on Iraq. "I'm not going to anticipate what might happen now. We have said repeatedly that there are security council resolutions that we require Iraq to comply with... It could not possibly be clearer to them."

In Baghdad, Iraqi President Saddam Husayn vowed to hit back against U.S. missile attacks on military targets near Baghdad this evening.

"Strike them this is the day of confrontation. Strike, because the day of the battle has come, the day when a sun that will never set will rise ... All faithful people will be at the level desired for them by Almighty God," President Saddam said in a brief statement broadcast by Baghdad Radio.

President Saddam's remarks came shortly after the U.S. Navy launched dozens of Tomahawk cruise missiles on military targets, including nuclear development facilities, near Baghdad this evening.

Saddam said the enemies have returned "so that God will expose and disgrace them, humiliate their actions, and support the group of believers."

"Attack them, oh you, the delight of our eyes, the sash of our pride and crown of all the faithful. Strike, oh brave ones," said the Iraqi president who urged his people to stand up against the aggression.

He hailed Iraq as a "symbol to mujaheedin" and "a banner that will never bow, fighting in the name of god."

Earlier in the day, President Saddam threatened a "final and decisive chapter" in his conflict with the West.

He made the statement after an American jet shot down an Iraqi MiG fighter in the "no-fly" zone of northern Iraq, which was installed in 1991 to allegedly protect Kurdish rebels in the north.

"The aggressors will fail in their evil purposes this time again," Saddam said in a defiant speech marking the second anniversary of the start of the Gulf war.

In Amman, Jordan expressed its deep concern over the latest development in Iraq after U.S. warships fired cruise missiles on targets near Baghdad this evening.

An identified Foreign Ministry official said in a press statement that Jordan has appealed to the United Nations and Iraq to resolve their dispute through peaceful means and warned of "the grave consequence" of military confrontation, which could only aggravate tension and complicate the situation.

He called on the United States to stop any form of military action to avert an escalation of tension.

"It will have grave consequences for the peoples in the region and lead to the collapse of the ongoing Middle East peace process," he added.

In Kuwait City, Information Minister Shaykh Sa'ud al-Sabah today confirmed that Iraq has abandoned six police posts on the U.N.-set Kuwaiti-Iraqi border.

The U.N. Security Council endorsed the new border in November, which Iraq has rejected.

The Iraqis manning the posts started leaving the police posts hours before U.S. warships in the Gulf and Red Sea launched Tomahawk cruise missiles attacks on Iraqi targets, including a nuclear facility, near Baghdad this evening.

U.N. officers at the border zone said that the five Iraqi police officers and 41 policemen deserted the posts spreading along a 45-kilometer stretch of the border.

The abandoned posts included those in the Abu Musa and Umm Qasr area, which were awarded to Kuwait by the U.N. Kuwait-Iraq border demarcation committee.

The makeshift posts, basically bunkhouses, were about one kilometer and five kilometers on the Kuwaiti side of the new border.

The withdrawal came nearly two days after a U.N.-imposed deadline which demanded that Iraq remove the posts by midnight Friday.

Earlier reports said Iraq had promised to remove the posts by the end of today.

Allied Attacks Described

OW1801135693 Beijing XINHUA in English
1343 GMT 18 Jan 93

[By Wang Shengliang]

[Text] London, January 18 (XINHUA)—All the allied aircraft returned safely after launching a daylight attack on "no-fly" zones in southern and northern Iraq, the British Defence Ministry said today.

The ministry said British Royal Air Force (RAF) Tornado bombers involved in the latest air raid were now returning to their base in Dhahran, Saudi Arabia.

U.S. F-15s and F-16s have returned safely to the aircraft carrier USS Kitty Hawk and other bases, British television reported.

The allied aircraft attacked missile bases below the 32nd parallel, which were said to have been only partly destroyed by last Wednesday's allied action.

Some 75 warplanes—American combat planes, RAF Tornados and French Mirage 2000s—took part in the new air strike on Iraq this morning.

The targets were said to be radar and missile sites close to Samawah, in the "no-fly" zone in southern Iraq, about 150 miles south of Baghdad.

It was reported that allied aircraft had also attacked Iraqi targets in the "no-fly" zone in northern Iraq.

The U.S. Pentagon confirmed that the attacks had taken place but gave no further details, BBC Television reported.

Western military sources in the gulf said that Iraq launched a missile at Dharhan in Saudi Arabia.

The sources said the missile, presumed to be a Scud, was destroyed before it reached its target.

Earlier, there were reports that air raid sirens were sounded in eastern Saudi Arabia.

Yesterday, the U.S. launched more than 30 cruise missiles on an Iraqi nuclear plant near Baghdad. A hotel in central Baghdad was hit and at least three people were reportedly killed.

A BBC correspondent reported from Baghdad that the target of today's allied attack was the Iraqi anti-aircraft system in the southern "no-fly" zone.

The raid was similar to that launched last Wednesday to hit targets that survived.

Four RAF Tornado bombers took part in this morning's air raid, along with French and American aircraft, British television reported.

British sources said the attacking aircraft were well protected by other planes and bombing accuracy would have been increased.

Meanwhile, Kuwait is to ask Britain and France to send land troops to help protect the country's border with Iraq, according to British television reports.

It quoted a Kuwait's Defence Ministry sources as saying that Britain and France would send their army units to Kuwait to "face up to any aggression" which Baghdad might launch.

The British Foreign Office said, however, that it had heard nothing about the planned Kuwaiti request.

The United States sent 1,100 ground troops to Kuwait late last week after the first allied air strike against Iraq.

Further on Actions Against Iraq, Reaction

UK's Major Cited

OW1801001193 Beijing XINHUA in English
2355 GMT 17 Jan 93

[Text] London, January 17 (XINHUA)—British Prime Minister John Major said today there was complete agreement among the allies for the latest U.S. attack on Iraq.

Major told reporters that the decision to launch the cruise missile attack on Iraq was taken after a great deal of consideration and consultation.

"There was complete agreement among the allies about the nature and timing of the response this evening," he said.

"It has been discussed for two or three days and I have had a number of discussions with President Bush," Major said.

It was reported that the attack had been launched after U.S. President George Bush held consultations over the weekend with Major and French President Francois Mitterrand.

American naval vessels in the Gulf fired about 40 cruise missiles at what it said was a nuclear arms site in Baghdad today on the second anniversary of the Gulf war.

Four British Tornado bombers joined a U.S.-led allied raid on Iraq last Wednesday, but they were not involved in today's attack.

Major said Iraqi President Saddam Husayn had been "courting trouble—he has had trouble."

It was a result of "wilful disobeying the requirements of the international community time and time and time again," he added.

Major refused to say whether there would be further attacks on Iraq. "I'm not going to anticipate what might happen now. We have said repeatedly that there are Security Council resolutions that we require Iraq to comply with... It could not possibly be clearer to them."

No French Role in Air Strike Noted

OW1801083293 Beijing XINHUA in English
0245 GMT 18 Jan 93

[Text] Paris, January 17 (XINHUA)—A French Defense Ministry's spokesman said tonight that the air raids on Baghdad today were done by the Americans and no French force of any kind was involved in the action.

The French Defense Ministry and the presidential office declined to make any comment on the American action.

But government spokesman, Musitelli, disclosed that U.S. President George Bush and French President Francois Mitterrand consulted each other twice (Saturday afternoon and Sunday afternoon) on the issue of Iraq.

Local news media quoted observers here as saying that from France's brief reaction and the way of expressing it, one can feel that France is keeping at a distance with the United States on the American air raids on Baghdad. France may have reservations over the American air-raid or over the choice of the target.

French Fighters Join Allied Air Raid

OW1801144993 Beijing XINHUA in English
1430 GMT 18 Jan 93

[Text] Paris, January 18 (XINHUA)—The French Defense Ministry announced here today that six French Mirage 2000 fighters took part in the coalition air raid against Iraq this morning.

The air strike began at 06:20 GMT and ended at 09:30 GMT, during which some 75 allied planes bombed four missile sites in southern Iraq below the 32nd parallel.

According to the French Defense Ministry, all the French planes, which escorted allied bombers during the action, returned to their base in Saudi Arabia.

Kuwait Denies Iraqi Missile Attack

OW1801172793 Beijing XINHUA in English
1553 GMT 18 Jan 93

[Text] Kuwait City, January 18 (XINHUA)—A Kuwaiti civil aviation official today denied that an Iraqi Scud missile had been dropped near the Kuwait International Airport.

The Kuwait News Agency (KUNA) quoted Shaykh Jabir Mubarak Abdullah al-Ahmed, director general of Kuwait's Civil Aviation Administration, as saying that the report about Kuwaiti anti-aircraft defence forces shooting down the missile with U.S. Patriot missiles was "absolutely untrue."

The Middle East News Agency MENA of Egypt had reported from Kuwait that Iraq fired a missile on the country, but it did not attribute any source.

Shaykh Jabir said that the Kuwaiti security authorities had asked all airport employees and passengers to go into shelters in anticipation of an attack targeting the airport.

This state of emergency lasted no more than 45 minutes and air traffic was resumed normally afterwards, he added.

Meanwhile, another airport official announced that the Kuwait airport would not be closed to international air traffic because the situation in Kuwait was stable.

No alarm sirens were sounded in Kuwait City today, and no explosions were heard there either, the unidentified official said.

Also today, local newspapers reported that Defense Minister Shaykh 'Ali Sabah al-Salim has asked Britain and France to send troops to Kuwait to help shore up defense of the tiny country, which endured a seven-month occupation after Iraqi forces invaded on August 2, 1990.

The Iraqi troops were driven out of Kuwait by the U.S.-led coalition forces in the ensuing Gulf war which ended in February 1991.

Shaykh 'Ali said his request was part of the defense pacts that Kuwait signed with the two countries last year.

He said the Kuwaiti Forces were on high alert to guard against any Iraqi reaction to U.S. attacks in the past few days, and any Iraqi aggression would face "grave consequences."

A 1,100-men-strong U.S. force arrived in Kuwait last week to join some 300 U.S. special troops deployed in the country before the ongoing showdown between Iraq and the West.

At the Kuwait-Iraq border, Iraqis crossed into a disputed border area today to haul away six huts that had served as police posts along the frontier, U.N. officials said.

Iraqi border police deserted the posts Sunday that stretched along the 45-kilometer Kuwait-Iraq border.

The Iraqi border posts were built on an area that was awarded to Kuwait by a U.N.-led demarcation committee last November 23. Baghdad has refused to recognize the new border.

The United Nations had given Iraq until midnight last Friday to remove the posts on the Kuwaiti side of the new border.

Iraqi border police abandoned the posts just four hours before U.S. Navy ships fired Tomahawk cruise missile at military targets near Baghdad Sunday, almost two days after the U.N. deadline.

Missiles Reportedly Arrive in Kuwait

OW1901113693 Beijing XINHUA in English
1100 GMT 19 Jan 93

[Text] Cairo, January 19 (XINHUA)—U.S. Patriot air defense missiles have reportedly been shipped into Kuwait to bolster its defense against any Iraqi attack, according to reports reaching here.

The reports quoted Kuwaiti Information Minister Shaykh Sa'ud Nasir al-Sabah as saying that Kuwait had asked Washington to send the missiles to improve the Emirate's air defense amid increased tension with Baghdad.

"They were taken out (of Kuwait last year) and brought back again," Shaykh Sa'ud said.

Patriots, used to knock out Iraq Scud missiles during the 1991 Gulf war, were stationed in Kuwait for several months last year.

Kuwait signed defense deals with the United States, Britain and France after they led an allied war in 1991 to end Iraq's seven-month occupation of the Emirate.

The U.S.-led allies have attacked Iraq three times in the past week to try to enforce Baghdad's compliance with Gulf war ceasefire resolutions and Western-imposed no-fly zones in the north and south of Iraq.

'Roundup' on Allied Actions

HK1801023493 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 18 Jan 93 p 6

["Roundup" by staff reporter Zhang Qixin (1728 0796 2500): "Why the United States Used Force Against Iraq Once Again"]

[Text] Washington, 14 Jan (RENMIN RIBAO)—On the afternoon of 13 January, the United States, joining hands with Britain and France, carried out another large-scale air raid on Iraq. From various air bases on the Arabian Peninsula and the U.S. aircraft carrier Kitty Hawk in the Gulf, more than 110 aircraft took off to attack some military facilities and anti-aircraft missiles in southern Iraq. This was another major military action taken by the United States, Britain, and France against Iraq after the end of the Gulf war in early 1991.

The scale of the air raid was not small, but the targets were limited and the time was short. According to analysts, the air raid served two purposes. One was to destroy Iraq's anti-aircraft system and anti-aircraft missiles in the area south of the 32d Parallel, thus forcing the Iraqi authorities to obey the "no-fly zone" delimited by the Western powers and to guarantee the safety of patrols by the United States and its allies in the "no-fly zone." The other purpose was to "give a message to Saddam Husayn and his government that they must observe UN resolutions," must fulfill their obligations after the end of the Gulf war, and must not create trouble for the West any more. After the air raid, White House spokesman Marlin Fitzwater said that if Iraq continues to disregard the West's warnings, the United States and its allies would take "additional action" against Iraq.

In the last year or so after the end of the Gulf war, the contradiction between the United States and Iraq has not come to an end. Although the multinational forces inflicted heavy losses on Iraq's military in the Gulf war, Saddam's regime remains a thorn in their flesh. Therefore, in almost two years, the United States and its allies,

while intensifying economic sanctions against Iraq, continued to weaken the Saddam regime through the terms of the cease-fire agreement. At the same time, on the grounds of protecting Kurds in Iraq, the United States, Britain, and France first set up a "no-fly zone" in northern Iraq north of the 36th Parallel prohibiting Iraqi planes from flying over this area. In August 1992, on the grounds of protecting Shiite Muslims in southern Iraq, the United States, Britain, and France set up another "no-fly zone" in the area south of the 32d Parallel in Iraq and exerted additional military pressure on Iraq. The Iraqi authorities, facing economic and military pressures and both domestic and external difficulties, strove to deal with the West inside and outside of the United Nations. Therefore, in the last two years, the struggle between Iraq and the West, especially the United States, over the issues of weapons verification, economic sanctions, and the "no-fly zones" has been endless and has become intense from time to time.

In the last few months, U.S.-Iraqi contradictions became more intense. On 27 December 1992, four Iraqi fighter planes flew into the southern "no-fly zone," and U.S. F-16s immediately dealt with them directly and downed one Iraqi plane. After that, Iraq and the United States condemned each other, and their confrontation continued to escalate. The Iraqi side condemned the United States for infringing its sovereignty and threatened to carry out retaliation. It then moved and deployed anti-aircraft missiles to the south. The U.S. side accused Iraq of violating the relevant UN resolutions and imposing a threat against pilots carrying out missions in the southern "no-fly zone." Thus, it joined Britain, France, and Russia in issuing an ultimatum on 6 January, demanding that Iraq withdraw its missiles within 48 hours; otherwise, the United States would join Britain and France in taking military action against Iraq. All of a sudden, a conflict between the two sides seemed imminent. In this period, although Iraq moved some of its missiles out of the area and the United States softened its threats for a time, this state of events was not terminated. On 11 January the U.S. side resumed its condemnations of Iraq because Iraq sent personnel to rush into the demilitarized zone along the Iraq-Kuwait border to take away weapons and materials left by Iraqi forces in the Gulf war, and they did not allow a plane carrying UN inspectors to enter Iraqi territory. The U.S. side announced that it could react at any time against Iraq's behavior obstructing UN activities. In fact, the U.S. supreme authorities set a program of air raids at that time, and military action was eventually timed for the evening of 13 January in the form of a lightning air raid.

It takes more than one cold day for the river to freeze three feet deep. The recent air raid carried out by the United States against Iraq was another outbreak in the intense U.S.-Iraqi contradiction. In future, the situation in the Gulf region will continue to be prominent.

'Feature' on Civilian Effects

OW1601113793 Beijing XINHUA in English
1122 GMT 16 Jan 93

["Feature" by Zhang Dacheng and Li Yichang: "Civilian Sufferings Apparent in Allied Air Strike"]

[Text] Basra, January 16 (XINHUA)—A yellow dog was barking furiously at the foreign correspondents Friday [15 January] afternoon on the ruins of two civilian houses destroyed during the U.S.-led Western allies' bombings Wednesday night.

Lying beside the little dog are the corpses of its companions: One dog, one cow, one donkey and two sheep.

The owners of the dog, a 50-year-old man and his seven-year-old son, were also killed in a small residential quarter near a petrol-chemical plant on the outskirts of the southern city of Basra.

Kais Ismaim Yousif, a 18-year-old student, told the visiting reporters, with tears in his eyes, that his cousin and the cousin's son were killed.

He said he was the first to make an emergency call and seven wounded people, including the wife of his cousin, were rushed to hospital for treatment at 9:15 p.m. (1815 GMT) on Wednesday night while the bombing was still going on.

About 110 war planes of the United States, Britain and France bombarded the southern Iraqi provinces of Basra, Najaf, al-Muthanna, Thi Qar and Meisan, in retaliation for Iraq's alleged violations of Gulf war ceasefire resolutions.

Hours after the air strike, U.S. officials said the allied planes returned safely to the U.S. aircraft carrier "Kitty Hawk" and their bases in Saudi Arabia, while Iraq claimed that 19 Iraqis, including military personnel and civilians, were killed and 15 others wounded during the 30-minute bombing, which started at 21:00 Baghdad time (1800 GMT).

The allies claimed the air strike was aimed at Iraq's anti-aircraft missile batteries in south Iraq, but Iraq said civilian facilities, including residences, sustained widespread destruction during the "indiscriminate" bombings.

Standing by a new bronze shell of a bomb, about half a meter long and with some English words painted on, a few kids said that they can see the allies' war planes flying high and low every day.

"The sound of the planes are fearful, very fearful," said a kid, identifying himself only as Mahammed.

At the Basra General Hospital, Hamdia Kathir, 30, is lying in bed, suffering multiple fractures and severe burns. Her right arm was broken.

"I was cooking and my husband and my son were watching TV when an explosion crashed our house," she

said weakly. "I lost my consciousness and I don't know what has happened to my husband and son."

Her doctor said that the woman has not been told that her husband and son had been killed during the air raid.

"Everything is under reconstruction now," she said, "why does Bush want to kill us? Oh, where is my husband and my son?" Tears are running down her half-open eyes and burned face.

Beside the woman, a 4-year-old boy, Salihr, was leaning on his mother in the bed. There is an apparent cut of about 10-centimeter in length in his right cheek.

"My son was injured by shrapnel," the mother says, "my husband was also wounded in the leg."

Led by government interpreter-guides, reporters also were shown two ruined houses of mud brick and a crater about seven meters wide and two meters deep.

In Basra, a major military district 435 kilometers south-east of Baghdad, soldiers were walking in the streets as usual. Tanks and anti-aircraft guns were visible on the outskirts of the city and on the highway.

The allied strike was preceded by tension that had been high since a U.S. fighter jet shot down an Iraqi MiG-25 in the "no-fly zone" in southern Iraq on December 27. The incident was followed by Iraqi deployment of surface-to-air missile batteries in the southern part of the country.

Washington regarded the missiles as a potential threat to Western warplanes patrolling the no-fly zone set up by the U.S.-led coalition in southern Iraq last August to protect Shiite Moslems there from government attacks.

Iraq refused to recognize the aerial exclusion zone that bans flights of all Iraqi aircraft.

Before the Western bombardment, hundreds of Iraqi workmen crossed into a disputed Iraq-Kuwait border area for four times to salvage Iraqi property abandoned by retreating Iraqi troops in the gulf war that ended the seven-month Iraqi occupation of Kuwait.

Commentary on Gulf Situation

OW1601142393 Beijing Radio Beijing in Mandarin to Asia 0900 GMT 16 Jan 93

[Commentary by station commentator Xu Xiurong: from the "Commentaries on International Affairs" program]

[Text] At about 1815 GMT on 13 January, or about 0215 Beijing time on 14 January, 116 fighter planes of the United States, Britain, and France raided ground-to-air missile bases, radar sites, and other military installations in southern Iraq. The deterioration of the the Gulf situation has evoked people's concern.

Why did the United States, Britain, and France launch an air attack against Iraq this time?

We can say that since the Gulf war was concluded two years ago, the confrontation between the West—and especially the United States—and Iraq has never stopped on issues such as no-fly zones and arms inspections. This confrontation is also the cause of the recent air attack.

On several occasions last month, Iraqi fighter planes intruded into the no-fly zones in Iraq south of 32 degrees north latitude. At the same time, the media in the West also reported that Iraq had deployed in southern Iraq ground-to-air missiles, which constituted a threat to the planes of the United States and its allies. Thus, on 6 January, the United States, Britain, and France, with support from Russia, issued an ultimatum to Iraq that it must remove its missiles from southern Iraq within 48 hours, and they also ordered Iraqi planes not to enter the no-fly zone. Iraq rejected the ultimatum and the order and, ignoring the warnings of the United Nations Security Council, Iraqi soldiers intruded into Kuwait on many occasions to dismantle and take away missiles and other military supplies and facilities they had abandoned during the Gulf War. The tension in the Gulf thus escalated, leading to the air attack on 13 January.

Of course, the trouble had been brewing for quite some time. The U.S. decision to use force on Iraq was not made in just a few days. Just as White House Spokesman Fritzwasser said, Bush talked with British Prime Minister John Major in December last year on taking actions on Iraq, and when Bush visited Moscow and Paris early this year, he also had separate consultations with Yeltsin and Mitterand. However, as observed from the size of the recent air attack, the scope of attack seems to be smaller than that anticipated by some military analysts. Yes, as announced by the United States, that was a limited attack meant to give Saddam and his government a loud and clear message, namely that they must observe the United Nations resolutions.

The United States and its allies considered their air attack on 13 January a successful one, saying that they had severely damaged military equipment in southern Iraq. However, according to Iraq's war bulletin, while the attack killed 19 people and wounded 15 others, it inflicted minor damage on the military facilities. Nevertheless, the United States has time and again warned that if Iraq continues to violate the relevant UN resolutions and disregard the measures which the United States and other countries in the West have taken against Iraq, multinational forces will attack Iraq again without any warning.

In view of Iraq's pledge to recover Kuwait, the United States has decided to dispatch a battalion, a special task force to Kuwait. Reports say that the first and second groups of personnel have already been deployed there. What was the response in Baghdad? Following the air attack, Baghdad expressed that it would not send any more personnel into Kuwait to dismantle or take away military equipment, and it also concurred in letting United Nations' arms inspectors and planes enter Kuwait [as heard]. But it also indicated that it would

make reprisals for the air attack on 13 January. Saddam has called on the Iraqi Air Force and air defense units to retaliate against the air offensives launched by the United States and its allies, proclaiming that all planes of the United States and the West are targets of attack when they are within Iraqi air space. Thus, although the United States' air attack against Iraq has ceased for the time being, the atmosphere there is still filled with the smell of gunpowder and the situation is a worrisome one.

Different countries have responded to the air attack on 13 January in different ways. Some countries have expressed their full support, but most countries maintain that, while it is necessary to urge Iraq to observe UN resolutions, the use of force was not absolutely necessary, and that other ways can be used to achieve the objective. Egyptian President Mubarak expressed deep regret over the air attack. He stressed that it is important to safeguard Iraqi people's security and Iraq's territorial integrity. The Pakistani Government strongly demanded that differences over the UN Security Council resolutions be settled through consultations. It maintained that the use of force can be avoided. A Chinese Foreign Ministry spokesman also stated China's stand on 14 January, saying that China expressed deep regret over another deterioration in the Gulf situation. I think that, just as the Chinese Government has always proposed, the relevant UN Security Council proposals should be comprehensively and truly carried out, but international disputes should be properly settled through peaceful means because the use of force can make issues even more complex and difficult to solve.

'Roundup' on Arab Reaction

OW1801204993 Beijing XINHUA in English
2023 GMT 18 Jan 93

["Roundup" feature: "Arabs Condemn, Regret Over Allied Attacks on Iraq"]

[Text] Cairo, January 18 (XINHUA)—Arab states today either condemned or expressed regret over the U.S.-led Western allies' renewed military attacks against Iraq over the past two days.

In Cairo, the 802-member Arab League expressed its regret for the allied bombings.

The League's secretary general, Ismat Abdul-Meguid, issued a statement saying the organization "regrets the policy of military escalation against Iraq... which extended to the bombing of Iraqi civilian targets inside Baghdad and led to the killing and wounding of civilians among the brotherly Iraqi people."

In retaliation for what they called fresh "hostile Iraqi actions," U.S. warships based in Gulf waters launched more than 40 Tomahawk cruise missiles at an alleged Iraqi nuclear facility near Baghdad Sunday night and U.S., British and French planes bombed targets in northern and southern Iraq today.

Baghdad's Al-Rashid Hotel was damaged in Sunday's Tomahawk attack, and fragments of the U.S. missile were found in the debris.

Iraq said two civilians were killed and 16 wounded at the hotel, and that another 21 people were killed and one was wounded in today's air raids.

"It is necessary to adopt a policy of self-restraint and to use the language of dialogue," the Arab League statement said.

In Tunis, the Palestine Liberation Organization (PLO) also issued a statement today, condemning the allies' "repeated aggressions" against Baghdad and other cities.

It said that the allied planes have for the second day bombed Iraqi cities "with the pretext of enforcing U.N. resolutions at a time when the U.S. Administration was obstructing the implementation of Security Council resolutions against Israel, the latest of which was Resolution 799 on the Palestinian deportees."

Israel deported more than 400 Palestinians to a no-man's land in south Lebanon on December 17 for their alleged links with radical Palestinian groups which had killed six Israeli soldiers earlier.

The U.N. Security Council passed Resolution 799 on the following day, but Israel has so far refused to comply.

"We stand by Iraq in the face of this aggression and against any tampering with Iraq's unity and sovereignty over its territories," the PLO statement said.

Speaking on Egypt's response to the allied attacks, Foreign Minister 'Amr Musa today stressed the necessity of maintaining Iraq's territorial integrity.

In a statement issued after conferring with the U.S. Ambassador in Cairo, Robert Pelletreau, the Egyptian foreign minister, said Egypt and the whole Arab world are concerned about the "preservation of Iraq's territorial integrity and the unity and safety of the Iraqi people, the non-division of Iraq and respect of its sovereignty."

"The situation is extremely grave and delicate, hence the necessity to refrain from any policy of adventurous and provocative nature," he said.

In Sanaa, Yemeni President 'Ali 'Abdallah Salih denounced the allied attacks while meeting with Iraq's ambassador to Yemen.

Salih also expressed regret that such attacks are taking place in the name of international legitimacy.

Yemeni officials said that during the meeting, the Iraqi ambassador conveyed a message to Salih from President Saddam Husayn on the situation in Iraq.

Upon return from a visit to Oman, Jordan's King Hussein said he was angered by the allied attacks on

Iraq. He urged the Western countries to stop military actions against Baghdad so as to avoid "negative impacts" on the region.

Jordanian Information Minister Mahmud al-Sharif reiterated the necessity to settle the crisis between Iraq and the West through dialogue and negotiations, instead of resorting to the use of forces.

In a statement to the Jordanian news agency PETRA, he said the two sides should abandon military escalation because "it is not achieving any purpose."

He noted renewal of military actions in the place of dialogue and diplomacy "could only heighten the disappointment and anger of the Arabs and Moslems, and cause great sufferings to the Iraqi people, their Arab neighbors and the Arab and Islamic world at large."

Both Yemen and Jordan were seen as sympathetic towards Iraq during the Gulf war in early 1991.

In Beirut, Lebanese Foreign Minister Faris Buwayz, in expressing Lebanon's first official reaction to the situation in Iraq, criticized the West for adopting "double standards" in implementing U.N. resolutions.

"Some Security Council resolutions are being adopted for appeasement while others are meant as mere reference," he said in a statement.

He expressed hope that all Security Council resolutions be implemented without exception.

Also today, Iran's OZHAL newspapers joined in a chorus to denounce both the allies and Iraq for their escalated crisis "which brings sufferings to the Iraqi people."

Reporting the confrontation between the two sides, the newspapers said that Washington and Baghdad are playing a "dirty game," in which only the Iraqi people are suffering most.

White House Statement Cited

OW1801143493 Beijing XINHUA in English
1416 GMT 18 Jan 93

[Text] Washington, January 18 (XINHUA)—U.S.-led aircraft bombed Iraqi missile sites today as a third strike against the country in less than a week.

The White House said in a statement said the attack was against "air defense targets in southern Iraq that pose a threat" to allied aircraft monitoring Baghdad's compliance with the U.N. resolutions laid down since the end of the 1991 Gulf War.

The White House statement said any further provocative by Iraq "will be dealt with forcefully and without warning."

United States & Canada

Clinton Cited on Foreign Policy Continuity

OW1801182893 Beijing XINHUA in English
1737 GMT 18 Jan 93

[Text] Washington, January 18 (XINHUA)—As the U.S. Military forces continued to attack Iraq, U.S. President-elect Bill Clinton today expressed his strong support for President George Bush's actions in dealing with Iraq.

Addressing to diplomats at Georgetown University as part of inaugural activities, Clinton seized the opportunity to send a message To Iraq: It must comply with all relevant U.N. Security Council resolutions.

"That policy will remain American policy after January 20," he said. Iraq "must understand that Americans' resolve during this transition period will not waver," he added.

Clinton's words came shortly after U.S. and allied warplanes launched a large scale of bombs in southern and northern Iraq, the third military action against Iraq in six days.

"The American people have called for a new administration, yet there is an essential continuity in American foreign policy," he told foreign mission chiefs, including Chinese Ambassador to the United States, Zhu Qizeng.

He said the U.S. new administration will face a series of urgent foreign missions: Former Yugoslavia and the Soviet Union, Somalia, the Middle East, Haiti, the proliferation of advanced weaponry, the spread of terrorism and drug trafficking, the AIDs epidemic and the degradation of the global environment.

Clinton also outlined three pillars in his foreign policy:

First, to make the economic security a primary goal of foreign policy. "We cannot sustain an active engagement abroad without a sound economy at home," he said. "We seek to ensure that global commerce is rooted in principles of openness, fairness and reciprocity."

Second, to restructure U.S. Armed Forces to meet new and continuing threats to U.S. security interests and international peace. "We do not relish the prospect of using military force when necessary, but neither do we shrink from it when all appropriate diplomatic measures have been exhausted," he said.

Third, to promote global democracy. "We will support those who share our democratic values," he said.

The President-elect concluded "America cannot, and should not, bear the world's burdens alone." He indicated the United States would work closely with the international institutions such as the United Nations in solving the world's issues.

Clinton's Path to White House Reviewed

OW1901095193 Beijing XINHUA Domestic Service
in Chinese 1020 GMT 18 Jan 93

["Roundup" by reporter Ying Qian (2019 6197):
"Clinton Sets Out for the White House"]

[Text] Washington, 17 Jan (XINHUA)—After two months of preparing to take over, U.S. Democratic President-Elect Clinton, together with a host of high-ranking officials in the incoming administration, bid goodbye to Little Rock, his campaign headquarters and the capital of Arkansas. Clinton then set off in a bus caravan on the morning of 17 January from Charlottesville, the Virginian hometown of Thomas Jefferson, the third president of the United States, for the national capital of Washington, in order to be officially sworn in on 20 January as the next president of the United States.

The 46-year-old Clinton is the first U.S. President to be elected since the end of the Cold War. To make a deep impression on the advent of the "Clinton era," the inauguration committee for the new President carefully organized week-long celebrations in a scale never seen before to play up an atmosphere of unity and jubilation.

Clinton won the presidential election last November to put an end to the uninterrupted Reagan-Bush Republican reign in the White House, which lasted for 12 years. His victory also enabled the Democrats to recapture the throne of the presidency while retaining control over Congress. The change of hands in the White House and the handover of political power—especially when switched from one party to another—in the United States involves a complicated process. The new President has a 77-day transitional period before taking over the White House. During this period, a transition team appointed by Clinton was divided into two groups: One was stationed in Washington to handle matters related to the transfer of power with high-ranking officials of the Bush administration; the other stayed in Little Rock to help Clinton organize the new cabinet and screen candidates for important government positions. After repeated screening, comparison, and the balancing of diverse interests, Clinton eventually named all the members of his new cabinet before Christmas of last year. The cabinet member designates will undergo examination at hearings conducted by the U.S. Senate. Barring any unforeseen events, all of them are expected to be confirmed.

It is not easy to organize a team; it is even more difficult to formulate new domestic and foreign policy. Therefore, Clinton was very careful in stating his position on any major domestic or foreign issues after he was elected. To fulfill his campaign promise of focusing on domestic issues, especially his promise of improving the employment situation and reviving the economy—these being the top priorities for the new administration—Clinton convened an economic conference, which was attended by over 300 persons, in mid-December last year to hear expert opinions and prepare for the formulation of economic plans. However, latest developments, that is, the news that the federal budget deficit is far higher than was previously estimated, will soon prompt

him to reconsider his overall planning. It is not likely that a new plan will be made public shortly after Clinton's swearing-in.

As for foreign relations, Clinton emphasized the continuity of U.S. foreign policy, saying that he supports the Bush administration's basic stand on and the action it has taken with regard to Russia, the Mideast peace process, Iraq, Somalia, the former Yugoslavia, and Haiti. It is widely believed that, after taking office, Clinton will first concentrate on domestic issues and will, insofar as diplomacy is concerned, continue following the existing policy for the time being. However, the current turbulent and fast-changing international situation probably will force him to make some necessary readjustments.

According to U.S. tradition, all "political appointees" of the outgoing administration must resign when the new administration takes over. Thousands of Bush administration officials have been told to pack and leave on 20 January when Clinton is sworn in. These officials, who have served Bush for years, will have to find other jobs—some of them may even be temporarily "out of work." The vacancies will be filled by a legion of Democrats, those who rendered outstanding services in the battle for the White House.

The climax of the transition of presidential power is the new President's inauguration. According to the schedule, Clinton will be sworn in in a ceremony presided over by the chief justice of the U.S. Supreme Court on the western steps of the Capitol building of the U.S. Congress at noon on 20 January. At that time, Clinton will give his inaugural address. After that, he will, under the escort of bands, honor guards, and parade participants, pass along Pennsylvania Avenue to enter the White House and become its new host, ushering in the "Clinton era."

Editorial Views U.S. Presidential Power Transfer

HK1901061593 Hong Kong WEN WEI PO in Chinese
19 Jan 93 p 2

[Editorial: "A Peculiar Way To Transfer Presidential Power"]

[Text] The United States launched its third strike on Iraq with fighters and cruise missiles. The open ground for the action was to carry out the UN resolution (but the UN resolution does not specify any terms on the no-fly zones), and the main targets of the air strikes were Iraq's factories for making parts of nuclear weapons and Iraq's anti-aircraft facilities in the no-fly zones. The action was aimed at forcing Saddam Hussein to stop encircling and suppressing the Shiite guerrillas in the no-fly zone so that the Shiites may organize a political entity.

Saddam Hussein is aware of the purpose of the no-fly zone, and is trying hard to resist. If the Shiites succeed in building their bases for prolonged confrontation, they might eventually shake or even replace Saddam's regime. Therefore, Saddam is resolved to resist the United States even though his country might suffer again from the bombing.

On the one hand, Bush is determined to force Saddam to obey the no-fly zone rules; on the other hand, in consideration of his domestic situation, Saddam is determined to make no concessions. Therefore, it is still unknown when the current military action will come to an end.

On the eve of the end of Bush's office tenure, he left three hot potatoes for Clinton: the strikes on Iraq, the dispatch of troops to Somalia, and the establishment of no-fly zones in Bosnia. All three hot potatoes are the inevitable results of the United States' interventionist policy. As a military superpower, the United States is keen on military interventions. Sometimes, it takes action alone in order to maintain its political leadership among its allies and to win the diplomatic initiative. Two weeks before the end of his tenure in the White House Bush made a speech at West Point Military Academy, saying that "armed force provides backing for diplomacy, and is a supplement to diplomacy;" "the United States must exercise effective military, moral, and spiritual leadership."

According to this logic, if the United States succeeds in setting up no-fly zones in Iraq through resorting to force, then it will also use force to maintain the no-fly zone in Bosnia-Herzegovina on the Balkan Peninsula, and to force the Serbians to abide by the "new order." In Somalia, the U.S. forces have taken over quite a lot of weapons, and the local warlords seem unable to make major trouble. It is likely that the U.S. forces can be withdrawn in the near future.

In the past during periods of power transfer an outgoing "caretaker" president normally did not take any major action to affect the long-term policy of the next administration in the remaining days of his office. It seems that Bush is an outgoing President who bears the label "lame-duck" the least. Seven days prior to his departure he was still planning the action to teach Saddam a lesson; and two days before his quit, he was still directing the air strikes on Iraq from Camp David. Maybe Clinton was wrong in saying that Bush was too weak toward Saddam Hussein and Serbia during the election campaign, so Bush decided to follow Clinton's "tough policy" before the end of his office tenure. As a result, Clinton could not say "no" and could only express support.

After Clinton takes over the three hot potatoes, it will not be possible for him to concentrate on dealing with the domestic economic issue. Clinton could defeat Bush in the presidential election because he promised to give priority to and concentrate on the economic recovery inside the United States. Because Bush did nothing effective to intervene in the economy, he was blamed for the economic recession.

Now, however, Bush has created a situation in which Clinton has to get entangled in a dilemma. The economic recovery, first of all, requires the United States to cut down on its financial deficit, reduce taxes, encourage investment, stimulate exports, and shift the war industry to civilian production. It will take tremendous time and energy to achieve all this. However, as Clinton will have

to carry on Bush's interventionist policy after taking office, he will have to immediately concentrate on affairs in Iraq, Bosnia, and Somalia. It will be fortunate if he can quickly bring such things to an end in a short time. However, if such things drag on over a long time, the United States will find a substantial increase in its military bills and expenses. The "peace dividends" (namely, the part of military expenditure that can be shifted to economic investment due to the end of the Cold War) will be lost. In addition, he will have to handle the trade disputes with the EC and Japan and the issue of the Haitian boat people. He will become the shadow of his predecessor. It seems very difficult for him to properly handle the economic issue.

Clinton in Washington for Inauguration Events

OW1801001393 Beijing XINHUA in English
2307 GMT 17 Jan 93

[Text] Washington, January 17 (XINHUA)—U.S. President-elect Bill Clinton arrived here by bus today to a rising welcome from tens of thousands of Americans from Monticello, Virginia, opening the four-day inauguration.

Traveling with him on his 15-bus caravan were his wife, Hillary Clinton, Vice President-elect Al Gore and his wife Tipper Gore, and their families.

They were greeted by hundreds of thousands of people along the roadway during the 121-mile journey, starting from Monticello, home of the 3rd U.S. President Thomas Jefferson.

But the mood of celebration in the nation's capital has been tempered by the two strikes the United States executed against Iraq earlier today.

In a statement issued following his arrival in Washington, Clinton said, "I fully support President Bush's action." The current and the next U.S. Administrations are in complete agreement on the necessity of his fully complying with all relevant United Nations Security Council resolutions, he added.

Clinton led a chorus of bell ringing across the country at 6:00 PM U.S. Eastern Time after going around the Lincoln Memorial and attending a concert there.

The first day inauguration celebration activities also featured an outdoor festival which included regional foods, music and crafts and a celebration of America's cultural diversity on the national mall and ended with fireworks display on the Potomac River.

Northeast Asia

Foreign Ministry Explains Japanese Boat Incident

OW1801062993 Tokyo KYODO in English 0616 GMT
18 Jan 93

[Text] Beijing, Jan. 18 KYODO—China's Foreign Ministry said Monday the customs patrol boat which fired on

a Japanese fishing vessel last Thursday made a mistake during the normal course of its official duties.

"We have already resolved the matter in an appropriate fashion," a ministry spokesman said.

A Chinese patrol boat fired four shots at the fishing boat Genpuku Maru in the seas off Miyako Island, Okinawa Prefecture, in the early hours of Thursday morning. No one was hurt in the incident.

China issued a formal apology to Japan saying customs officers mistakenly believed the boat belonged to Chinese tobacco smugglers.

"It was a one-time accidental mistake which happened while a Chinese customs patrol vessel was conducting its official duties," the Foreign Ministry spokesman said.

Japan's Miyazawa Cited on ASEAN Cooperation

OW1601114193 Beijing XINHUA in English
1124 GMT 16 Jan 93

[Text] Bangkok, January 16 (XINHUA)—Japan "shall never again become a military power" but will continue to cooperate closely with members of the Association of Southeast Asian Nations (ASEAN) to maintain regional peace and stability.

Japanese Prime Minister Kiichi Miyazawa made the pledge here today while stating Japan's policy towards Asia-Pacific at a reception organized in his honor by the Foreign Correspondent Club of Thailand.

The first area of cooperation between Japan and ASEAN is to secure peace and stability in this region, he said, adding that "the countries of the Asia-Pacific region need to develop a long-term vision regarding the future order of peace and security for their region."

For this, he said, "various ideas should thrashed out through political and security dialog among the countries of the region," and Japan will actively take part in such discussions.

Japan will do so with the belief that the presence and engagement of the United States, which has underpinned the region's peace and prosperity, will continue to play an important role in the future as a stabilizing factor for the region, he said.

On economic cooperation, he said Japan and ASEAN need to cooperate in order to enable the economy of the region to continue to develop in an open and dynamic manner.

"The development of the Asia-Pacific economy has been achieved through the market mechanism and the free and open multilateral trading system.

"I believe that for the economy of this region to remain open both within and to the outside world will provide an impetus for further development not only of the region itself, but also for the revitalization of the global economy," he said.

"The most urgent task today is for all negotiating partners to make mutual concessions from a long-term perspective so as to bring the Uruguay Round to an early and successful conclusion," he said.

While calling for further the activities of Asia-Pacific Economic Cooperation (APEC), Miyazawa also promised to strengthen Japan's cooperation with regional countries, particularly those of ASEAN, in the fields of investment, technology transfer, the development of infrastructure and supporting industries, human resources development and institutional improvements.

Japan, he said, also will cooperate with ASEAN members to tackle such issues as promotion of democracy, environmental conservation and protection of the richness of world culture, including restoration and preservation of Sukhothai in Thailand, Angkor monuments in Cambodia, Borobudur in Indonesia. [sentence as received]

To protect those and other important cultural assets of this region, he proposed an international conference of experts to discuss the means and measures that would be used in this regard.

Miyazawa arrived here Friday for three-day official visit to Thailand, which is the third stop of his current trip of four ASEAN countries.

Views on China, Security Noted

OW1601120493 Beijing XINHUA in English
1155 GMT 16 Jan 93

[Text] Bangkok, January 16 (XINHUA)—Japanese Prime Minister Kiichi Miyazawa said here today that China will pose no threats militarily to the regional security as the country is engaging in its economic development.

Replying to a question at a press conference held on his second day visit to Thailand, he said, "China today is attaching top priority to its open door policy, for that peace is much necessary."

China today has no intention to expand its forces abroad despite it has territorial disputes with countries concerned, particularly that in the South China Sea, he said.

During his current trip to the countries of the Association of Southeast Asian Nations (ASEAN), he said, he had discussed this issue with leaders of these countries and they were all of the same view that China poses no threats to regional security.

Anyway, he said, the dispute in the South China Sea should be solved through consultations.

He said so far he had visited three ASEAN countries, Indonesia, Malaysia and Thailand, and had face-to-face discussions with leaders of these countries on issues of common interest.

He said he was deeply impressed by the economic development and political stability in these countries and Japan's cooperation with them in the future is bright.

During talks here Friday between Miyazawa and his Thai counterpart Chuan Likphai, the two men agreed that the presidential election in Cambodia should be held before the general elections which they said could end the impasse in the Cambodian peace process.

They also agreed to cooperate closely in the reconstruction and rehabilitation of the impoverished Indochinese nations.

Miyazawa is scheduled to leave here for Brunei Sunday morning to continue his ASEAN trip.

'Shift' Seen in Japanese Policy

OW1801173193 Beijing XINHUA in English
1552 GMT 18 Jan 93

[Unattributed XINHUA report: "Memories Cloud Over Miyazawa Tour"]

[Text] Tokyo, January 18 (XINHUA)—Japanese Prime Minister Kiichi Miyazawa returned home today after an eight-day visit to Indonesia, Malaysia, Thailand and Brunei, all members of the Association of Southeast Asian Nations.

Political analysts here say that the visit signifies Japan's foreign policy shift from economy to political and security diplomacy.

In a key foreign policy speech in Bangkok last Saturday, Miyazawa clarified Japan's perception of the current situation in southeast Asia and what direction it intends to follow in the Asia-Pacific region as a whole.

The speech, billed as "Miyazawa doctrine," focused on promoting political and security dialogue among nations in the region and called for a comprehensive development strategy for Indo-China.

In this connection, he proposed to convene an international conference in Tokyo in the coming autumn.

While welcoming Japan's initiative in forging close ties with south Asian nations, local and foreign news media expressed caution over whether the goal would be achieved. The hurdle is the lingering memory among Asians of the bitter past.

KYODO NEWS SERVICE reported today a Singapore newspaper as expressing disappointment with the Japanese prime minister's visit. The "LIANHE AZAUBAO", a leading Chinese language daily, wrote in an editorial, "those countries which had been subjected to bullying and humiliation by Japan, all hope that Japan could express real repentance and sincerity when admitting past misdeeds, but Miyazawa's words did not contain anything concrete or specific."

The Japanese newspaper "MAINICHI" said in an editorial today, "we must keep in mind that southeast Asia,

with a vivid memory of aggression by Japan, is still very wary of the possibility of this country becoming a military giant once more".

Southeast Asia & Pacific

Thai Official To Present Cambodian Peace Plan

OW1701054693 Beijing XINHUA in English
0537 GMT 17 Jan 93

[Text] Bangkok, January 17 (XINHUA)—Thai Foreign Minister Prasong Sunsiri left here today for Beijing with a new initiative aimed at breaking the deadlock in the Cambodian peace process.

The initiative, collectively formulated and announced Friday [15 January] by members of the Association of Southeast Asian Nations (ASEAN) following hard lobbying from Thailand, is to support a presidential election in Cambodia prior to general elections with Samdech Norodom Sihanouk as a candidate.

Prasong Sunsiri told XINHUA before his departure at the Bangkok International Airport that he will present this initiative to Sihanouk in Beijing on Monday when he calls on him.

"This is an unofficial visit to Beijing but a very important one," Prasong Sunsiri said, adding that "besides holding consultations with Sihanouk on this initiative, I will also hold discussions with Chinese leaders on this issue."

He said Thailand also supports the formation of an interim government in Cambodia comprising all Cambodian factions. But, he added, the presidential election should be held first in order to "give Sihanouk real power to lead the country."

Prasong Sunsiri is scheduled to stay in Beijing for four days.

Meets Sihanouk in Beijing

OW1801084993 Beijing XINHUA in English
0832 GMT 18 Jan 93

[Text] Beijing, January 18 (XINHUA)—Prince Norodom Sihanouk, head of state and chairman of the Supreme National Council of Cambodia, met with Thai Foreign Minister Prasong Sunsiri at his residence in Beijing today.

The Thai foreign minister came here yesterday.

Sihanouk Issues Statement

OW1901083893 Tokyo KYODO in English 0819 GMT
19 Jan 93

[Text] Beijing, Jan. 19 KYODO—Cambodian leader Prince Norodom Sihanouk said Tuesday he believes the current political impasse among rival Khmer factions is a strictly internal problem which can be resolved if he is elected president of the country.

Sihanouk, who chairs Cambodia's Supreme National Council (SNC), said the United Nations Transitional Authority in Cambodia (UNTAC) is not the body to solve what is essentially a domestic dispute among Khmer people.

"There are problems between Cambodians that an elected Sihanouk could resolve to a certain extent and that UNTAC, which is not Cambodian, could not even partially resolve," he said in a statement.

"If elected, I will invite the heads of all political parties (with a minimum of 5,000 formal members) to meet regularly with me to help achieve a better understanding and genuine rapprochement between them," he said.

Sihanouk's son, Prince Norodom Ranariddh, confirmed on Monday that his father will run in presidential elections tentatively scheduled for April 5 in an effort to bring political stability to Cambodia.

In his statement, Sihanouk said an elected president with commensurate decision-making powers could unite the war-torn country.

"That will be enough to attain an honorable compromise between the warring factions and to facilitate legislative elections, and eventually a government of reconciliation and national unity," he said.

Sihanouk, who is in Beijing for medical treatment after a stroke, released the statement after a meeting on Monday with visiting Thai Foreign Minister Prasong Sunsiri.

He said they discussed Khmer Rouge intransigence. Prasong met the faction's nominal leader, Khieu Samphan, in Bangkok last Friday.

"At present, I have found no way of leading the Khmer Rouge to soften their tough stance," Sihanouk said, adding that UN-imposed sanctions are not the answer.

He called sanctions "unrealistic and totally ineffective" and said, "they serve only to harden the Khmer Rouge stance and make it more difficult to achieve peace."

In the past two months, Khmer Rouge guerrillas have stepped up military attacks and detained scores of UNTAC peacekeeping personnel, threatening to derail the fragile peace process.

UNTAC is still negotiating with the Khmer Rouge to secure the release of four peacekeepers detained in central Cambodia on Sunday.

Ousted from power after a Vietnamese invasion in 1979, the Khmer Rouge has resisted peace efforts for the past six months on grounds that two key elements of the October 1991 Paris peace agreement on Cambodia have not been upheld.

Khmer Rouge leaders argue that large numbers of Vietnamese soldiers and civilians remain in Cambodia and that the SNC has been prevented from exercising its

authority because real power resides with the Vietnamese-installed regime in Phnom Penh.

For its part, the Cambodian Government has called on the UN to set a January 31 deadline for the Khmer Rouge to agree to take part in national elections, or be shunned as an outlawed movement.

Sihanouk said the first problem can be solved in a similar way to the British agreement with Hanoi over the repatriation of Vietnamese boat people in Hong Kong.

"In my humble opinion, the problem of Vietnamese still present in Cambodia can only be resolved through negotiations with the Vietnamese Government," he said.

Sihanouk is widely regarded as the only person capable of uniting Cambodia after 13 years of bitter civil war.

Thai Ambassador Urges Investments in China

OW1601044093 Beijing XINHUA in English 0423
GMT 16 Jan 93

[Text] Bangkok, January 16 (XINHUA)—Thai Ambassador to China Montri Chalichan has urged Thai investors and business operators to place more emphasis on the Chinese market, saying the belief that the Chinese market have minimal purchasing power is a fallacy.

The ambassador told reporters at the Thai Foreign Ministry on Friday [15 January] that China has enjoyed significant economic growth in recent times, with the growth rate in 1992 climbing to 12 percent from 7 percent in 1991.

It is projected that the economy will grow 10 percent this year, the ambassador said, adding that the economic growth has greatly contributed to the people's standard of living, especially those living in coastal industrial provinces.

Montri Chalichan noted that the buying patterns of the Chinese have changed. The people are turning increasingly to buying more consumer products, especially high quality products.

China has rapidly liberalized its centrally-planned market in recent years, he said. Last October, the U.S. successfully convinced China to allow it more access to the country's markets, he added.

China also said it would cut the tariffs on as many as 3,000 product categories last December as it intended to become a member of the general agreement on tariffs and trade, Montri Chalichan said.

However, he said, the trade volume between the Thailand and China was dismal, mainly because trade agreements had only been made at government-to-government level so far.

The ambassador said difficulties in doing business with China were being minimized as the country intended to attract foreign investments. It has decentralized the

control of investments to the provinces, with each province coming up with its own investment package aimed at granting more privileges to lure foreign investments, he said.

"Foreign operators can lease land for periods varying from 30 to 90 years in different provinces. Employment of local workers, although it has to be carried out by a central job placement agency, as well as tax payments can be negotiated with the government for mutual benefit," he said.

Costly consumer goods such as TV sets, VCR machines, refrigerators and washing machines are selling very well in the country and the government is encouraging consumer conglomerates to open manufacturing plants there, the ambassador said.

Many Thai entrepreneurs have actively invested in large projects in China since the beginning of the economic reform era. The important investment projects are in fields such as agro-industry, land development and hotel business.

Indonesian Foreign Minister Leaves for Beijing

OW1901092493 Beijing XINHUA in English 0903
GMT 19 Jan 93

[Text] Jakarta, January 19 (XINHUA)—Indonesian Foreign Minister Ali Alatas left here this morning for Beijing to discuss the latest development of the situation in Cambodia.

Seeing Alatas off at the airport were Chinese Ambassador Qian Yongnian and officials from the Indonesian Foreign Ministry.

Alatas expressed optimistic [as received] that his mission to mediate for Cambodian peace should be fruitful since 90 percent of the Cambodian people had registered themselves with the election committee for the general election in May.

The minister also said that in his efforts to persuade the Democratic Kampuchean faction to take part in the peace initiatives he would also visit Bangkok and Phnom Penh to discuss the issue with leaders of other factions.

Before his departure, the minister had a two-hour meeting with the visiting chairman of the United Nations Transitional Authority in Cambodia (UNTAC) Yasushi Akashi Monday.

Alatas worked for the Cambodian peace process in his capacity as co-chairman of the Paris Conference on Cambodia and concurrently as special envoy of President Suharto, the present chairman of the Non-Aligned Movement (NAM).

Akashi who paid a two-day visit to Indonesia on January 17 and 18 met President Suharto in the company of Minister Alatas on Monday.

He expressed the highest appreciation to President Suharto for the contribution Indonesia has given to peace efforts in Cambodia.

President Suharto emphasized the significance of peace and stability in Cambodia and adding that Indonesia as a co-chairman of the Paris Conference on Cambodia and head of the NAM has been seriously realizing the commitment.

Meanwhile, chairman of a visiting French parliamentary delegation Marc Laffineur said France in its capacity as co-chairman of the Paris Conference on Cambodia will continue to make efforts in order to make the Democratic Kampuchean faction prepare to take part in the Cambodian peace process.

It is learnt that the UN peace operations in Cambodia cost around 100 million U.S. dollars a month. Efforts to settle the Cambodian problem are global efforts because more than 45 countries in the world are involved in the efforts.

Sub-Saharan Africa

Further Reportage on Qian's African Visit

Arrives in Burundi

OW1601225293 Beijing XINHUA Domestic Service
in Chinese 1502 GMT 15 Jan 93

[By reporter Liu Shaoping (0491 4801 1627)]

[Text] Bujumbura, 15 Jan (XINHUA)—Qian Qichen, Chinese state councillor and minister of foreign affairs, arrived here at 1200 today to begin his two-day official visit in Burundi.

This is the first official and goodwill visit by a Chinese foreign minister to Burundi.

Qian Qichen was accorded a warm welcome at the Bujumbura International Airport by Libere Bararunyeretse, Burundian minister of external relations and cooperation, and Rudarach [name and title as received], secretary general of the government and chairman of the Burundi-Chinese Friendship Association.

Speaking to the press at the airport, Qian Qichen said: China always attaches very great importance to its relations with African countries. China and Burundi are two close and friendly developing countries, and we have established sincere and friendly cooperation on the basis of the Five Principles of Peaceful Coexistence.

Qian Qichen expressed the belief that his visit would enhance mutual understanding, solidarity [tuan jie 0957 4814], and cooperation between the governments and peoples of China and Burundi.

Then, in the company of Bararunyeretse, Qian Qichen and his party proceeded to their hotel, Source of the Nile, which is located in the downtown area. Qian Qichen will hold talks with Bararunyeretse this evening.

Qian Qichen arrived here after attending the meeting in Paris to sign the "Convention on Banning Chemical Weapons." Earlier, he had visited Oman, Mauritania, Cameroon, and Gabon.

Meets Foreign Minister

OW1701014393 Beijing XINHUA Domestic Service
in Chinese 0225 GMT 16 Jan 93

[By reporter Liu Shaoping (0491 4801 1627)]

[Text] Bujumbura, 15 Jan (XINHUA)—Qian Qichen, Chinese state councillor and minister of foreign affairs, held talks here today with Libere Bararunyeretse, Burundian minister of external relations and cooperation, on bilateral relations and cooperation, as well as on international and African issues of common interest.

According to Chinese officials, Qian Qichen noted: African countries are pursuing stability in the new turbulent international situation. We would like to express our appreciation for these efforts. This is because we cannot develop the economy without political stability. We respect the selection by African countries of their own political systems and development paths in light of their national conditions.

Qian Qichen added: China values its relations with Burundi. Bilateral relations have developed smoothly since China and Burundi established diplomatic relations. We are willing to work hard with the government and people of Burundi to safeguard the traditional friendship between the two countries, to explore new fields and means of mutually beneficial cooperation, to open up new prospects in Sino-Burundian relations, and to conduct various forms of economic cooperation.

Bararunyeretse said: Qian Qichen's current visit to Burundi itself symbolizes Burundian-Chinese friendship. He briefed Qian Qichen on the situation in Africa and in Burundi. He said: Africa currently faces many difficulties. Nevertheless, the African people are capable of surmounting these difficulties and are responsible for their own destinies. He expressed his deep appreciation for Burundian-Chinese cooperation. He signaled the Burundian Government's desire to further expand and develop cooperation with China, especially its desire to encourage the entrepreneurs of the two countries to forge cooperation.

After the talks, Bararunyeretse hosted a banquet in honor of Qian Qichen.

This evening, Qian Qichen and Bararunyeretse attended a ceremony in the Fountain of Nile Hotel to exchange notes regarding China's gift of goods and materials to Burundi. The foreign ministers of the two countries signed the notes on behalf of their governments.

Under the agreement reached by the two sides, the Chinese Government will deliver a batch of goods and materials to the Burundian Government, assuming responsibility for shipping them to Bujumbura. This is a

gesture of the Chinese people's friendship for the Burundian people. According to Burundian officials, the goods and materials will be used to resettle Burundian refugees.

Talks With President Buyoya

OW1701020493 Beijing XINHUA Domestic Service
in Chinese 1448 GMT 16 Jan 93

[By reporter Liu Shaoping (0491 4801 1627)]

[Text] Bujumbura, 16 Jan (XINHUA)—President Pierre Buyoya of the Republic of Burundi met with Qian Qichen, Chinese state councillor and minister of foreign affairs, here this morning.

At the meeting, Qian Qichen conveyed President Yang Shangkun's message to Buyoya. Yang Shangkun praised the Burundian people's efforts and achievements under the leadership of President Buyoya in realizing national reconciliation, revitalizing the economy, and exploring a political system that suits Burundi's specific condition. Yang Shangkun said: The Chinese Government and people are "ready to work to further enhance bilateral friendship and cooperation in all areas."

Buyoya said: Qian Qichen's visit itself testifies to the good relations between Burundi and China. The time-honored friendship between the two nations has seen new development in recent years. The long-term cooperation between the two countries is of high quality. He asked Qian Qichen to convey his regards to Yang Shangkun and thanked him for Yang Shangkun's message.

Buyoya also briefed him on Burundi's domestic situation. He highly praised and appreciated the Chinese Government and people for their understanding, sympathy, and support for Burundi, as well as for the cooperation they provided in its economic development. He expressed admiration for the tremendous achievements China made in recent years, and he hailed China's choice in reform—a path of development with Chinese characteristics—and the experiences it has gained.

Qian Qichen briefed him on the development of China's reform and opening up in recent years. He said: In a world of drastic changes and turbulence, it is of utmost importance for developing countries to rely on their own efforts, to maintain political stability and economic development, and to increase their strength.

Earlier, Qian Qichen had met with Prime Minister Adrien Sibomana of the Republic.

Qian Qichen and his party arrived here on 15 January for a two-day official goodwill visit to Burundi.

Sees Prime Minister Sibomana

OW1701020893 Beijing XINHUA Domestic Service
in Chinese 1546 GMT 16 Jan 93

[By reporter Liu Shaoping (0491 4801 1627)]

[Text] Bujumbura, 16 Jan (XINHUA)—Adrien Sibomana, Burundian prime minister, met with Qian Qichen, Chinese state councillor and foreign minister, at his office here this morning.

Qian Qichen conveyed Premier Li Peng's regards and wishes to Sibomana. Li Peng expressed his wishes for continued growth in Sino-Burundian friendly cooperation in all fields, adding that he hoped Burundi enjoys stability, unity among nationalities, economic development and that Burundians live and work in peace and contentment.

Sibomana expressed appreciation for Li Peng's regards and wishes. He also asked Qian Qichen to convey to Li Peng his cordial regards and wishes. He said: "We are happy with the continuing development of Burundian-Chinese relations and economic cooperation." He also said: Burundian-Chinese cooperation has yielded results. We are very happy to see that many Burundian students who studied in China have taken up leadership positions in Burundi's economic departments and are playing important roles. He said that he hoped to see such cooperation expanded.

Qian Qichen said: The all-around cooperation between China and Burundi based on mutual respect, equality, and mutual benefit is a model of South-South cooperation. Both nations benefit from such cooperation. Economic cooperation can take many forms and there is, for example, room for greater cooperation between enterprises. As bilateral cooperation develops, they will also need to expand cooperation in personnel training and exchange.

Qian's Arrival in Rwandan Capital Noted

OW1801222493 Beijing XINHUA Domestic Service
in Chinese 1317 GMT 17 Jan 93

[By reporter Liu Shaoping (0491 4801 1627)]

[Text] Kigali, 17 Jan (XINHUA)—Qian Qichen, Chinese state councillor and foreign minister, this morning arrived in the Rwandan capital Kigali by plane to begin a two-day formal goodwill visit.

Qian Qichen arrived in Kigali after winding up a visit to Burundi. Rwanda is the last leg of his current visit to six countries in the Middle East and Africa. This is also the first formal visit by a Chinese foreign minister to this "country of 1,000 hills" in Africa. Ngulinzira, Rwandan minister of foreign affairs and cooperation, and Tian Yimin, Chinese Ambassador to Rwanda, greeted Qian Qichen at the airport.

Ngulinzira accompanied Qian Qichen to the Qianshan Hotel in downtown Kigali, where Qian Qichen will stay. Later, the two foreign ministers will hold talks.

Meets Foreign Minister

OW1901104993 Beijing XINHUA Domestic Service
in Chinese 0408 GMT 18 Jan 93

[By Reporter Liu Shaoping (0491 1421 1627)]

[Text] Kigali, 17 Jan (XINHUA)—Qian Qichen, Chinese state councillor and foreign minister, held talks with Ngulinzira, Rwandan minister of foreign affairs and cooperation, this morning.

According to a Chinese official's briefing, Qian Qichen pointed out during the talks: Since the establishment of diplomatic relations between China and Rwanda in 1971, the two countries' bilateral relations have developed smoothly. China and Rwanda are both developing countries, and they face the common missions of concentrating on developing the economy and raising the people's living standards. An important basic stance of China's foreign policy is to strengthen unity and cooperation with the Third World countries, including African countries. The Chinese Government is willing to continue to consolidate and develop its friendly and cooperative relations with Rwanda and to explore new ways and domains for further cooperation. China believes and hopes that through the assistance of the Organization of African Unity and relevant neighboring countries, the Rwandan Government and people will realize national reconciliation and stability, as well as economic development.

Ngulinzira expressed his warm welcome to Qian Qichen on his first visit to Rwanda as minister of foreign affairs. He believed that the visit will help enhance the friendly relations between Rwanda and China, which have existed for more than 20 years. He said: The Rwandan Government and people appreciate very much China's generous aid for Rwanda's economic and social development. Ngulinzira also indicated that the Rwandan Government recognizes the government of the People's Republic of China as the sole legal government of all of China, which includes Taiwan Province, and that it supports China's reunification cause.

After the talks, the foreign ministers of the two countries signed an agreement under which China will provide Rwanda with an economic assistance loan.

Qian Qichen arrived in Kigali, the capital of Rwanda, this morning for a two-day official visit. Rwanda is the last leg of Qian Qichen's tour of six Asian and African nations. He has visited Oman, Mauritania, Cameroon, Gabon, and Burundi.

Views Ties With Prime Minister

OW1901102193 Beijing XINHUA Domestic Service
in Chinese 1313 GMT 18 Jan 93

[By reporter Liu Shaoping (0491 4801 1624)]

[Text] Kigali, 18 Jan (XINHUA)—Dismas Nzenziyaremya, Rwandan prime minister, had a meeting this morning with Qian Qichen, Chinese state councillor and minister of foreign affairs.

The prime minister said at the meeting that Rwandan people cherish profound friendship with the Chinese people. He said that Foreign Minister Qian Qichen's visit will promote Sino-Rwandan friendly relations. He added that the cooperation between China and Rwanda has been fruitful, and he hoped the cooperation will continue.

Qian Qichen said: China and Rwanda are friends whose cooperation is based on equality and reciprocity. The two countries' friendship and cooperation will not change no matter how the world changes and how the situations in China and Rwanda change.

Qian Qichen added that a country's peace and stability are essential for its economic development. He expressed the hope that the Rwandan people will surmount their present difficulties and achieve national reconciliation and peace so that there will be conditions for the nation's economic development.

Earlier, Qian Qichen had a meeting with Theodore Sinkikubwabo, president of the National Development Council of Rwanda.

Talks With President Habyarimana

OW1901032993 Beijing XINHUA in English
0208 GMT 19 Jan 93

[Text] Kigali, January 18 (XINHUA)—Rwandan President Juvenal Habyarimana met here today with visiting Chinese Foreign Minister Qian Qichen at the country's guest house.

During their talks, President Habyarimana said Rwanda and China enjoyed good cooperation and he was very pleased with the close bilateral relations.

For his part, Qian said the Chinese Government would also like to continue strengthening these good relations.

Qian said China appreciates efforts made by the Rwandan Government for the realization of national reconciliation and development of its economy.

The Chinese foreign minister arrived here on Sunday for a two-day goodwill visit.

Kigali is the last leg of Qian's six-nation tour, which includes Oman, Mauritania, Cameroon, Gabon and Burundi.

Political & Social

Deng Remarks on TV Program, Control of Military

HK1901093893 Hong Kong KUANG CHIAO CHING
in Chinese No 244, 16 Jan 93 pp 16-17

[Article by Liang Yen-hsia (4731 3601 7209): "Deng Xiaoping Tells Jiang Zemin To Tightly Hold the 'Gun Barrel,' Praises the Television Economic News Program"]

[Text] When Russian President Yeltsin visited China last December, he said before he left that because Deng Xiaoping was ill, he could not meet him during his visit.

This attracted attention from all nations, but the Chinese side immediately clarified things, saying that Deng Xiaoping was in good health.

In fact, as Deng Xiaoping does not hold any official post, it was not necessary for him to hold a private meeting with someone such as Yeltsin.

It has been learned that during Yeltsin's visit to China, Deng Xiaoping was on holiday, relaxed and carefree, in Hangzhou, in the company of his family, personal secretaries, bodyguards, doctors, and Zhejiang provincial party Secretary Li Zemin, Zhejiang provincial Governor Ge Hongsheng, and the mayor of Hangzhou City.

After the end of the 14th party congress, Deng Xiaoping was most concerned about the reorganization of the top leading body of the armed forces and the issue of China's agricultural development in the future.

He held that 800 million people in China's total population of 1.1 billion people are peasants, so with stability in the countryside, there will be stability in China; with rural development, China will be able to develop. This year, substantial progress was made in various aspects in China, and good harvests were reaped in grain production for several consecutive years. However, agriculture still cannot be neglected, and agricultural investment and technology must not be taken lightly. If any problem appears in the field of agriculture, it would certainly be serious, and China's development may be dragged back for many years. If any problem appears in China in the future, it is very likely that the problem would appear in agriculture. So he repeatedly reminded people that importance must always be attached to agriculture.

Deng Xiaoping watched television every evening. In addition to the news program, he was particularly interested in the programs about economic development and economic information. Beginning 31 August 1992, Beijing's CCTV has broadcast a program about economic information every night, and Deng Xiaoping watches that program almost every night and does not want to miss even one minute.

Deng Xiaoping also sent his secretary to the department concerned to express his opinion on that program. Deng

Xiaoping said: "Since CCTV began the 'Joint Broadcast of Economic Information' on 31 August, I watch the program almost every day. Being a 30-minute program, it is not too long, but it provides people with a great deal of useful information every day, and it has a sprightly rhythm. It will play a positive role in promoting our country's economic development and the development of our socialist market economy."

At the same time, Deng Xiaoping also commented on the style of the announcers. He said: "The announcers speak too fast. Maybe they should speak a bit slowly so that the result of the program can be better."

Meanwhile, Deng was particularly concerned about the armed forces. He held that in the past, because he and other old fellows remained in power, it was easier to bring the armed forces under control. After the 14th party congress, power was transferred to the new hands, so it became more important that the armed forces were controlled by reliable people. Appointing the right people to the high-level military posts is of special importance.

On 29 December 1992, at a New Year tea party held by the Central Military Commission, Jiang Zemin conveyed Deng's idea that the critical key to Army building lies in the proper personnel appointments to the leading bodies at all levels and the proper building of such leading bodies, so that the gun barrel can really be held by people loyal to the party and the people. Jiang said: Deng Xiaoping is particularly concerned about this matter and has repeatedly stressed the need to properly select and foster successors, holding that this is "a matter that determines our destiny" and that "the validity of the party's basic line in the next 100 years and the long-lasting peace and order in our country will rely on this point." Now that the new Central Military Commission has been formed, it should make great efforts to handle the reorganization of the leading bodies in the three general departments, and in all major military branches and military regions. Jiang said: The new leading bodies after the reorganization should firmly carry out the instructions of the Party Central Committee and the Central Military Commission, effectively guide the work in their subordinate units, and make strict demands on themselves.

On 19 October 1992, at the First Plenary Session of the 14th CPC Central Committee after the 14th party congress, the decision on the formation of the new CPC Central Military Commission was adopted. Jiang Zemin is chairman; Liu Huaqing and Zhang Zhen are vice chairmen; and members of the Central Military Commission include Chi Haotian, Zhang Wannian, Yu Yongbo, and Fu Quanyou. The new Central Military Commission does not set the post of secretary general.

It has been learned that next April, Jiang Zemin will be elected concurrently state president of the PRC. The establishment of the PRC Central Military Commission was a policy decision on the reform of the leadership

structure of the state and the armed forces. After the founding of the state's Central Military Commission, the CPC Central Military Commission will continue to directly command the People's Liberation Army as the military leading organ of the CPC Central Committee. In fact, the party's Central Military Commission and the state's Central Military Commission are the same organ with two "signboards." They will be composed of the same people, and will perform the same function in leading the armed forces. This will enable the Central Military Commission to hold the same status in both the party's leadership structure and the state structure. This will guarantee the CPC's leadership over the armed forces and will also strengthen army building through state power.

Deng Said To Defend Tiananmen, Stress Unity

OW170114993 Tokyo KYODO in English 1135 GMT 17 Jan 93

[Text] Beijing, Jan. 17 KYODO—China's paramount leader Deng Xiaoping wrote to Central Committee members last month urging them to refrain from reversing the government's verdict on the 1989 democracy protests in Tiananmen Square, a well-placed Chinese source said Sunday.

Deng also said in his letter to stop attacking "leftism" and counter "peaceful evolution," the source said.

Other sources say Communist Party chief Jiang Zemin affirmed Deng's comments in a series of meetings with senior party, government and military leaders late last year when he also emphasized that his disgraced predecessor, Zhao Ziyang, has yet to admit the error of his ways.

Analysts say Deng has decided to curb his much-publicized campaign against "leftist" or conservative forces to preserve political unity at a time of frenzied economic change.

Enshrined in Jiang's political work report to last October's 14th party congress, references to the "antileftism" campaign have now been expunged from party rhetoric.

Senior leaders are said to fear that rapid economic reforms could endanger their hold on political power, making open party disunity a luxury they can ill afford.

Deng's call to guard against "peaceful evolution" reflects China's long-held fear that Western governments will stop at nothing to end Communist Party rule by peaceful means.

U.S. Secretary of State-designate Warren Christopher said last Wednesday that the incoming administration of President-elect Bill Clinton will seek to facilitate a "peaceful evolution in China from communism to democracy."

Chinese sources say Deng's and Jiang's references to the 1989 Tiananmen Square crackdown are also linked to their drive to uphold party unity.

China treated the protests as an act of counter-revolutionary insurgency in an attempt to explain the need to dispatch tanks and soldiers to Tiananmen Square to crush unarmed democracy protesters.

Jiang's attack on Zhao Ziyang represents a similar search for political legitimacy given that Jiang replaced Zhao as the "core" of China's communist leadership, analysts say.

The leadership's apparent resolve to maintain party unity at all costs has also been given credence by a speech given by new propaganda chief Ding Guangen, a close Deng ally.

On Saturday, Ding told a meeting of propaganda chiefs that it is time to put an end to divisive struggle sessions within the ruling Communist Party in order to safeguard party discipline and political power, XINHUA NEWS AGENCY reported Sunday.

"We must discard 'political campaigns' and 'wide-ranging criticism' methods and adhere to the principle of 'not engaging in political criticism'," XINHUA quoted Ding as saying.

"We must preserve two points of view and defend against one-sided opinions," Ding said.

Fears 'Roll Back' of Reforms

HK1901064693 Hong Kong SOUTH CHINA MORNING POST in English 19 Jan 93 p 8

[Article by Willy Wo-lap Lam]

[Text] Patriarch Mr Deng Xiaoping has expressed concern that the forthcoming National People's Congress will roll back China's reforms by endorsing stringent measures to cool down the economy.

The 88-year-old leader, now resting in an exclusive guesthouse in Shanghai, is said to be particularly concerned about the Government Work Report that premier Mr Li Peng will deliver at the congress, which is due to open in late March.

But sources in Shanghai said that while pushing market reforms, the patriarch was eager to preserve unity and stability in the party.

The sources said it was likely Mr Deng, who is travelling with his family, would put in a public appearance either on the eve of the Lunar New Year or at the opening ceremony of one section of the new Shanghai subway.

Depending on his health, Mr Deng might give instructions to top party and army leaders in Shanghai.

The sources said that in spite of his frail health, the senior leader received regular briefings about policy and trends from his relatives and his personal staff.

Such briefings included summaries of major policy papers such as the early drafts of the Government Work Report to the NPC.

They said Mr Deng was anxious for market reforms to continue in spite of obvious signs of the economy overheating.

"Comrade Xiaoping has expressed concern over the recommendations made in Li Peng's Government Work Report," a source said.

"He hopes the premier will continue to recommend market mechanisms as well as a relatively high rate of growth."

In recent weeks, Mr Li has indicated the state would step up macro-level controls and regulations to cool down the economy.

During his tour of Guangdong province a year ago, Mr Deng criticised Mr Li's Government Work Report to the 1992 NPC by saying it was too wordy and not substantial enough on reform.

As a result, Mr Li was forced to make last-minute changes to his report, cutting it by more than half and putting in more references to market reforms.

But political analysts in Beijing said the message Mr Deng would deliver later this month would be more "centrist" than the instructions given a year ago.

Last time, Mr Deng railed against "leftists" or remnant Maoists, for putting up obstacles to reform.

Mr Deng also criticised Mr Li and other central planning-oriented cadres for stifling reform by sticking to a cautious development strategy.

This year, the analysts said, the theme would likely be a synthesis of reform, unity and stability.

Yesterday's People's Daily [RENMIN RIBAO] carried numerous excerpts from a new book which is a compilation of Mr Deng's various instructions since the 1980s.

The excerpts contained exhortations on "thought liberation" and on implementing market reforms, but also warnings on the dangers of "bourgeois liberalisation".

One quotation, dated only a few days after the June 4 massacre, had Mr Deng defending the decision to open fire on the demonstrators.

Commentator Views Congress, CPPCC Elections

HK1901083993 Beijing RENMIN RIBAO in Chinese
15 Jan 93 p 1

[Commentator's article: "Properly Arranging Elections by Implementing the Spirit of the 14th Party Congress"]

[Text] In spring of this year, the First Session of the Eighth National People's Congress [NPC] and the Eighth National Committee of the Chinese People's Political Consultative Conference [CPPCC] will be held; new leading bodies of the local people's congresses, governments, and CPPCC committees will also be elected or

have been elected. It has rarely been seen before that such a large number of leading cadres get involved in the elections on such a large scale in our country. This will arouse attention among the hundreds of millions of cadres and ordinary people.

It is of great significance to do a good job in electing the new leading bodies. According to Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the party's basic line of "one center, two basic points," the 14th party congress set forth the historical task of quickening the pace of reform, opening, and modernization, and winning greater victories in the cause of building socialism with Chinese characteristics. This is not only a task for the whole party, but also the common desire and aspiration of the entire people of all nationalities throughout the country. To fulfill this task, all party organizations should more effectively play a role as the leadership core. At the same time, the role of the people's congresses, governments, and CPPCC committees at all levels should also be properly brought into play. The people's congress system is the fundamental [gen ben de 2704 2609 4104] political system in our country, and the multiparty cooperation and political consultation system led by the Communist Party is a basic [ji ben 1015 2609] political system in our country. Developing socialist democratic politics mainly through the improvement of these two systems is the objective of the political structural reform. Properly arranging the formation of new people's congresses, local government leading bodies, and CPPCC local committees is not only an important item in the organizational work but also an important political task. It is not only the concrete action of implementing the spirit of the 14th party congress but also a guarantee for the fulfillment of the tasks set forth by the party congress.

According to the previous and current local elections, strengthening and improving the party's leadership, fully developing democracy, and strictly acting according to the laws are the basic principles that must be followed in the elections of new local leading bodies. Strengthening and improving the party's leadership is the key, fully developing democracy is the foundation, and acting strictly according to the laws is the guarantee. The three points constitute an integrated whole. Being complementing one another, each of the three points is indispensable. In the whole process of electing new leading bodies, from the nomination, assessment, examination of candidates and the relevant consultations to the final official elections, the three points should be properly integrated into a whole.

Through the election of new leading bodies this year, local leading bodies at all levels should be further built into united, well-coordinated, incorruptible, highly efficient, hard-working leading collectives with a firm political position, courage for reform, and a reasonable structure. Therefore, it is necessary to elect people with both political integrity and work ability into the leading bodies of the local people's congresses, governments, and CPPCC committees according to the party's basic line;

according to the principle of making leading bodies meet the requirement of being revolutionary, young in average age, well-educated, and professionally competent; and according to different requirements of the work of the people's congresses, the governments, and the CPPCC committees. It is necessary to emancipate people's minds, update concepts, and handle the work in the reform spirit.

To properly arranging the election of new leading bodies, we should pay attention to promoting and electing cadres who are familiar with the economic work, have the knowledge about modern management, dare to carry out reform and undertake pioneering tasks, have achieved solid work results in their previous offices, and have prestige and popularity into the leading bodies in the light of the needs of establishing the socialist market economy. This will enhance the capacity of the whole leading bodies in guiding the modernization drive. It is necessary to further eliminate the concept of promoting leading cadres merely according to their seniority and demanding that candidates be completely perfect in all aspects. Outstanding young cadres should be boldly promoted regardless of the diversity of their patterns. Those who are particularly worthy people should be promoted with the normal rules being broken. In the course of forming the new leading bodies, it is necessary to advocate the whole-situation and long-term conception, further promote cadre exchanges, persuade cadres to accept new assignments to higher or lower positions, and take new steps in advancing the reform of the cadre appointment system.

Democracy in our country is based on the maintenance of the socialist legal system, and our legal system is based on the development of socialist democracy. In the course of electing new leading bodies, we should, from beginning to end, always follow the democratic principle, actually respect the democratic rights of the voters, and prevent formalistic and window-dressing practices. The Constitution, the Election Law, the Local Organic Law, the CPPCC Charter, and other laws and regulations provide the legal grounds for the election of new leading bodies, so they must be strictly observed. It is necessary to strengthen the ideological and political work pertinent to the elections. When erroneous practices are discovered, those involved should be criticized and admonished with a clear-cut attitude and the problems should be solved in good time. The rule-breaking and illegal practice should be promptly checked, and those who seriously break the laws or rules should be brought to justice according to law. Only thus can we ensure the proper completion of the elections.

Leadership 'Reshuffle' Forecast

HK1601082793 Hong Kong MING PAO in Chinese 16 Jan 93 p 5

[Text] The First Session of the Eighth National People's Congress [NPC] and the First Session of the Eighth

National Chinese People's Political Consultative Conference [CPPCC] will be held in China this spring. The people's congresses, governments, and CPPCCs in all localities have already held, or will hold, sessions this year to elect their new organs. A commentator's article in RENMIN RIBAO disclosed that the great scope of the elections and the large numbers of leading cadres involved are such as has rarely been seen over the years.

In the current reshuffle, which is said to be the largest in China's political circles for the past 15 years, a Beijing source disclosed that CPC General Secretary Jiang Zemin will assume the offices of state president and chairman of the State Military Commission; Rong Yiren, director of the China International Trust and Investment Corporation [CITIC], who is a non-party personage, will be vice president; Liu Huaqing and Zhang Zhen will be vice chairmen of the State Military Commission; Li Peng will retain the office of premier and the vice premiers will include Zhu Rongji, Zou Jiahua, Li Tieying, Qian Qichen, and Li Lanqing; Qiao Shi will be chairman of the NPC, Tian Jiyun will be first vice chairman, and Wang Hanbin will be executive vice chairman and concurrently secretary general; and Li Ruihuan will be chairman of the CPPCC with Wu Xueqian or Qin Jiwei as vice chairman, while Wen Jiabao and Wang Zhaoguo are also likely to become vice chairmen.

The source said that President Yang Shangkun and Vice President Wang Zhen will retire. Others to retire include NPC vice chairmen Peng Chong, Ye Fei, and Zhou Gucheng, as well as CPPCC vice chairmen Fang Yi, Gu Mu, and Hong Xuezhai. Wu Xueqian, Qin Jiwei, Li Ximing, and Yang Rudai, who have withdrawn from the CPC Political Bureau, and state councillors Chen Junsheng, Wang Bingqian, and Wang Fang, who will soon withdraw from the State Council, are to assume the offices of vice chairmen of the NPC or CPPCC.

In the reshuffle of the State Council, Defense Minister Chi Haotian, Ministry of Foreign Economic Relations and Trade Minister Wu Yi [name and title as published], and Public Security Minister Tao Siju are the potential candidates for the offices of state councillors.

An article carried in RENMIN RIBAO yesterday pointed out that a good job done in the elections of the people's congresses, governments, and CPPCC committees will serve as the guarantee for fulfilling the tasks set out by the 14th party congress. In the elections, the article stressed, it is necessary to exceptionally and boldly promote outstanding young cadres.

Besides the State Council, the source disclosed, the average age of the NPC Standing Committee and CPPCC members, which has been advanced, will drop by a big margin after the new reshuffle.

The RENMIN RIBAO article said that the three factors of strengthening and improving party leadership, fully developing democracy, and strictly following the laws should be organically combined in the entire course of

the elections, from recommendation, appraisal, observation, and deliberation of the candidates to the final official elections.

Through the current elections, the article said, it is necessary to further build the leading bodies at all levels to a rationally structured, picked, and efficient leadership collective, which is politically firm, bold in carrying out reforms, united and coordinated, and clean and practical-minded.

The article said that the elections should meet the needs of building a socialist market economic system. It is necessary to take note of selecting and promoting cadres who are familiar with the economy and modern management, who are bold in reforms and forging ahead, and who have practical achievements and prestige to the leading bodies. This will comprehensively enhance the capacity of these bodies in leading the modernization program.

The Eighth Guangxi People's Congress, which concluded yesterday, elected the new government: Chen Kejie (Zhuang nationality) was reelected chairman. Lei Yu, Li Zhenqian, Yuan Zhengzhong, Xu Bingsong, Lu Bing, and Yuan Fenglan were elected vice chairmen.

At the beginning of the new year, the leaders of Fujian, Qinghai, Guangxi, and other provinces and autonomous regions have changed. Elections for the Beijing municipality and Guangdong people's congresses will be held this month. Elections of the people's congresses at all localities should be completed before the opening of the Eighth NPC scheduled for mid-March.

Jiang Zemin Discusses Propaganda Situation

OW1501145793 Beijing XINHUA Domestic Service in Chinese 1304 GMT 15 Jan 93

[Report by Central People's Broadcasting Station correspondent Liu Zhenying (0491 2182 5391) and XINHUA correspondent He Ping (0149 1627)]

[Text] Beijing, 15 Jan (XINHUA)—During a meeting this afternoon with comrades attending the national forum of directors of propaganda departments, Jiang Zemin, general secretary of the CPC Central Committee, said emphatically: In carrying out propaganda and ideological work, we must consistently follow the guidance of Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics; must constantly provide spiritual inspiration and intellectual and ideological support for reform, opening up, and modernization; must foster favorable public opinion; and must nurture a positive mentality in society.

The forum took place in the Great Hall of the People. Before the forum, Jiang Zemin, Li Peng, Ding Guangen, Li Tieying, and other central leading comrades met with all delegates to the national forum of directors of propaganda departments and had a photo session with them.

Present at both the forum and the meeting were delegates to the national forum on external propaganda work and to the XINHUA NEWS AGENCY's domestic work conference.

Ding Guangen, member of the Political Bureau and the Secretariat of the CPC Central Committee and director of the CPC Central Committee's Propaganda Department, chaired the forum.

He Shaochuan, member of the Standing Committee of the Fujian provincial party committee and director of the provincial party committee's propaganda department; Yu Youxian, member of the Standing Committee of the Henan provincial party committee and director of the provincial party committee's propaganda department; Jin Binghua, member of the Standing Committee of the Shanghai municipal party committee and director of the municipal party committee's propaganda department; and Huang Haoxian, member of the Standing Committee of the Guangdong provincial party committee and director of the provincial party committee's propaganda department, spoke at the forum. In their speeches they presented their opinions on persistently using Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics to guide propaganda and ideological work, on correctly recognizing the opportunities for conducting propaganda and ideological work, on improving relevant work and implementing cultural and economic policies in strict accordance with the central task of economic construction, and on establishing a leadership system for propaganda and ideological work that is compatible with the socialist market economy. They expressed their opinions in light of the realities of their respective provinces and municipality.

In his speech, Jiang Zemin first discussed the current situation. He said: Our country's program of reform, opening up, and modernization has entered a new phase of development. The nationwide economic and political situation is very good. The broad masses of cadres and people are full of enthusiasm. Signs of vitality are in evidence everywhere. These are the results of our efforts to draw inspiration and guidance from Comrade Xiaoping's important talks during his tour of southern China and from the guidelines of the 14th National Party Congress, and to arm ourselves with and obtain guidance from Comrade Xiaoping's theory on building socialism with Chinese characteristics. They have further increased the determination and confidence of the broad ranks of cadres and people in steadfastly maintaining the party's basic line of "one central task and two basic points" for 100 years.

Jiang Zemin pointed out: Under the good situation, we should also look squarely at some conspicuous problems during our advance. In propaganda work, we should always apply dialectics, persistently emancipate our minds, seek truth from facts, strive to do a good job in

guiding, protecting, and giving play to the masses' initiatives, and promote reform, opening up, and economic construction.

In his speech, Jiang Zemin particularly emphasized the role and effect of propaganda and ideological work. He said: Propaganda and ideological work has always been an extremely important part of the party's work, and it was an important front during the revolutionary war years and the socialist modernization period. Under the new situation in which we are accelerating reform and opening up and establishing a socialist market economy, propaganda and ideological work is of particular importance. The propaganda and ideological front involves all fields and has a bearing on the overall work of building socialism with Chinese characteristics. Comrades on this front should realize the heavy responsibility on their shoulders, enhance their sense of honor, responsibility, and mission, keep forging ahead, perform actual deeds, and do their work in a creative way.

Jiang Zemin said: In propaganda and ideological work, we should keep to the orientation of "serving the people and socialism," unite with all forces that can be united with, bring every positive factor into play, strive to turn negative factors into positive ones, and give maximum play to the masses' wisdom and talent in building socialism with Chinese characteristics.

Jiang Zemin put forward four expectations for comrades on the propaganda and ideological front:

- We should persistently do a good job in publicizing Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and the party's basic line. This is the fundamental task and central link of our propaganda and ideological work in the new period. On this basis, we should also step up propaganda and education for patriotism, for correct ideals, convictions, outlook on life, and values, for Marxist materialist dialectics, and for unity.
- We should maintain the distinctive features of propaganda and ideological work. During the course of building socialism with Chinese characteristics, what should we advocate and promote, and what should we oppose and restrict? To this question, our comrades on the propaganda and ideological front and our leading cadres at all levels should clearly know the accurate answer by adhering to the party's line, principles, and policies and Comrade Deng Xiaoping's theory, views, and strategic thinking, and they should act accordingly and enable the broad masses to also know the answer very clearly through propaganda and education of various forms.
- Comrades on the propaganda and ideological front should do more theoretical studies and learn more vocational knowledge. It is necessary to persist in studying Marxist basic theories, with the emphasis on studying Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics. At the

same time, it is necessary to learn scientific, technological, managerial, and other knowledge to meet the needs of the modernization program.

- We should make great efforts to strengthen and improve propaganda and ideological work. Improvement is indispensable to strengthening, and the strengthening should be done during the course of improvement. First, we should do a good job in reforming the leadership and the management system of propaganda and ideological work. During the course of strengthening and improving propaganda and ideological work, we should pay attention to inheriting and carrying forward the good traditions and experience of the party's previous propaganda and ideological work. In the meantime, we should also boldly explore new avenues, ways, and means and accumulate new experience during the course of our new practice.

Jiang Zemin also expressed important views on external propaganda work [dui wai xuan chuan gong zuo 1417 1120 1357 0278 1562 0155]. He urged the departments doing external propaganda work to further emancipate their minds, enhance their vigor, and take advantage of their own salient features to actively improve and earnestly strengthen external propaganda work so that it will fully play a role in creating favorable public opinion via the media during the course of opening our country wider to the outside world.

Jiang Zemin emphasized: During the course of accelerating economic construction, reform, and opening up, party committees at all levels must attach great importance to propaganda and ideological work and strengthen their leadership over it. It is necessary to put propaganda and ideological work as an important item on the daily agenda, constantly study and analyze major ideological problems in society, lay down the importance of propaganda work for a period, help comrades of the propaganda and ideological work department emancipate their minds, periodically inspect propaganda and ideological work, and solve problems as soon as they are discovered.

In conclusion, Jiang Zemin pointed out: Comrades on the propaganda and ideological front shoulder a heavy responsibility and their work is hard. Over many years, they have been faithful in discharging their duties, worked conscientiously and hard without being upset by criticism, and made important contributions to the cause of the party and the people. The central authorities trust this contingent and are concerned about it. Party committees and governments at all levels should seriously show concern about them and cherish them, so that they will display their abilities even better and make new contributions to the party's propaganda and ideological work and to the cause of building socialism with Chinese characteristics.

Also present at the forum and the meeting were members of the central leading group for propaganda and ideological work, Zheng Bijian, Shao Huaze, Zeng Jianhui, Liu Zhongde, Ai Zhisheng, Guo Chaoren, Zeng Qinghong, Xu Zhijian and Xu Caihou.

Ding Guangen on Propaganda Affairs

OW1701101693 Beijing XINHUA Domestic Service in Chinese 0751 GMT 17 Jan 93

[By RENMIN RIBAO reporter Duan Cunzhang (3008 1317 4545) and XINHUA reporter He Ping (0149 1627)]

[Text] Beijing, 17 Jan (XINHUA)—The six-day national forum of heads of propaganda departments ended in Beijing yesterday [16 January]. The meeting stated that, guided by the CPC Central Committee with Comrade Jiang Zemin as the core, propaganda and ideological workers must deeply publicize the guidelines of the 14th National CPC Congress; arm all party members with Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics; firmly adhere to the party's basic line, characterized by "one center and two basic points"; earnestly execute the Central Committee's principles and policies for propaganda and ideological work; emancipate their minds; seek truth from the facts; march forward in unity; make genuine efforts to do practical work; and provide even better services needed in accelerating the pace of reform, opening up, and modernization and in winning greater victories in building socialism with Chinese characteristics.

Ding Guangen, member of the CPC Central Committee Political Bureau and its Secretariat, and head of the Propaganda Department of the CPC Central Committee, made a summing-up address at the concluding session of the meeting.

Ding Guangen pointed out: As the party's theoretical lines, cardinal policies, objectives, and tasks have become much clearer now, there is an excellent opportunity for us to carry out propaganda and ideological work. Meanwhile, the ample experiences accumulated in doing propaganda and ideological work as well as the series of correct general and specific policies and principles that have been drawn up over the past several years have laid for us a good foundation for improving our propaganda and ideological work. When we say that the current opportunity is excellent, we do not mean that we will not encounter difficulties or problems. We must realize, however, that the opportunity is excellent and rare on the whole. We must seize this opportunity and make earnest efforts to push our work forward.

Ding Guangen said: Propaganda and ideological work is a powerful political strength of the CPC. Our party attached very great importance to propaganda work from the time it was founded. History has proven that each victory we have won in our cause invariably has a close bearing on the party's painstaking, meticulous, and highly effective propaganda and ideological work. Propaganda and ideological work has special importance

under the new situation characterized by reform, opening up, and modernization in all quarters. The 14th National CPC Congress clearly stated the need to accelerate the pace of reform, opening up, and the establishment of a new socialist market economic system. While this unprecedentedly profound change certainly will have an inestimably positive impact on social progress, and also on propaganda and ideological work, it will encounter many contradictions and new problems. This provides us with opportunities to demonstrate our talents—much can be accomplished in propaganda and ideological work. Through propaganda and ideological work, we must unite all forces that can be united, mobilize all positive factors, turn negative factors into positive factors, and mobilize and inspire people in the country to work hard for the cause of building socialism with Chinese characteristics. Comrades working on the propaganda and ideological front must be clearly aware of the heavy responsibilities on their shoulders, and they must heighten their sense of honor, responsibility, and mission.

Ding Guangen stressed: The basic guiding principle for propaganda and ideological work is one of guiding all operations on the propaganda and ideological front with the theory of building socialism with Chinese characteristics, and considering it the most important assignment on the propaganda and ideological front to arm all party members with this theory. As long as we firmly adhere to this basic principle, our thinking and actions can maintain unity with the party Central Committee and we can firmly follow the correct political course. We must adhere to the party's basic line so that we can regard the building of socialism with Chinese characteristics as the basic guiding principle. While focusing on economic construction, which is the center, propaganda and ideological work must consciously subordinate itself to this center and serve it. Only by doing this can propaganda and ideological work have new vitality and coherent strength. To make propaganda and ideological work serve economic construction, we should, by publicizing economic construction, reform, and opening up through various ways and means, guide the people in the country to concentrate their efforts on socialist modernization. Moreover, we must do a good job in guiding, protecting, and manifesting the people's enthusiasm.

Ding Guangen said emphatically: We should stress the construction of the spiritual civilization, which is an important principle in propaganda and ideological work. In emphasizing the construction of the spiritual civilization, we should make "construction" the means and end of our work. The most important and crucial way to do this is to arm the entire party with the theory of building socialism with Chinese characteristics; to abolish the practices of "launching campaigns" and "making broad criticisms;" to implement the principle of "not conducting debates;" and to take a targeted, planned, and down-to-earth approach. We should never pay lip service or resort only to documents and articles. We should maintain and enrich the remarkable achievements of

human civilization. In assessing the results of the spiritual civilization, we should primarily judge whether the spiritual civilization can provide strong spiritual inspiration and intellectual support for economic construction, reform, and opening up; whether it can accommodate the people's growing spiritual and cultural needs; and whether it can help cultivate new people who have "lofty ideals, moral integrity, education, and a sense of discipline."

Ding Guangen stressed the need to maintain "mass viewpoints" in propaganda and ideological work. He said: Wholeheartedly serving the people and always taking the people's interests into account are our party's fundamental goals; they are also the basic aims in propaganda and ideological work. We should take the people's interests into account; publicize the party's line, principles, and policies among the general public; make the people understand their own interests; and encourage them to fight for their interests in earnest. To better serve the people in propaganda and ideological work, we should earnestly seek ideological, conceptual, and specific improvements. Ideologically and conceptually, we must firmly cherish mass viewpoints, heighten awareness about serving the people, learn from the masses, listen attentively to the people's opinions, and reflect the people's aspirations and demands. With respect to the content of propaganda, we should tailor it to the general public and to reality. We should make a point of addressing various intensely debated, thorny, and perplexing issues of great concern to the broad masses. With respect to the way propaganda is carried out, we should improve our dissemination methods, stress propaganda results, hold democratic discussions and exchanges, and ensure that the methods are lively and reliable and have a popular appeal.

Ding Guangen said: Materialist dialectics is the Marxist world outlook and methodology, the basic mode of thinking by which we understand things and handle matters, and the fundamental way to conduct successful propaganda and ideological work. In carrying out propaganda and ideological work, we should emancipate our minds, seek truth from the facts, and formulate principles and policies governing propaganda work in accordance with reality. We should uphold the doctrine that everything has two aspects and guard against one-sidedness.

Ding Guangen said emphatically: Propaganda and ideological departments—especially central and provincial propaganda departments—must improve their work levels and standards. They should discuss and deal with important matters. They should stand their ground on major issues of principle, foster an overall outlook, and focus on key aspects.

Ding Guangen noted: In conducting propaganda and ideological work, we should cherish the concept of efficiency, seek tangible results, and oppose formalism. People in leadership positions should work with the rank and file to overcome formalism, which is an inveterate

disease, and they should start with themselves. Leaders at all levels should firmly cherish the concept of serving the grass roots. In making work arrangements and assigning tasks, they should take reality into account, consider the need to solve problems, avert formalism, and stress tangible results. They should not indiscriminately practice sloganeering or act ostentatiously.

Ding Guangen said it is necessary to do a still better external propaganda job; to enable the world to have a better understanding of China; to increase friendly exchanges with people around the world; and to strive to create a still better international environment for our country's reform, opening, and modernization construction.

Ding Guangen said that in recent years local propaganda departments have gained a great deal of fresh experience through their work. Efforts should be made to study and sum up those experiences. When summing up experiences, we should not consider them as they are but consider them as they should be. We should be good at discerning the macrocosm through observing the microcosm, as well as being good at arriving general conclusions through the study of individual cases. We must stress refining and formulating universally applicable principles and rules out of former cases which have been given careful thought and which can be comprehended through analogy.

Ding Guangen stressed the need for people who work at the propaganda and ideological fronts to emphasize unity, to take the overall situation into account, to prioritize the cause of the party's and the people's interests, and to stress the importance of making friends and of unity and harmony. In addition, he said leading cadres must play exemplary roles.

Ding Guangen said a good team is needed for doing good propaganda and ideological work. He called for training a propaganda team with a strong political sense, with professional skill, and with a good workstyle. He called for all to seriously treat the training of such a good propaganda and ideological team as a major project which will require time and effort up to the next century. He said it is necessary to raise the political quality of this team. Young and middle-aged cadres should be promoted in accordance with the policy of the "four modernizations" and on the principle of stressing both ability and political integrity. In addition, he stressed the need for strict observation of disciplines related to propaganda work.

Ding Guangen called on all levels of party committees to enhance the leadership over propaganda work in a down-to-earth manner in line with the guidelines of Comrade Jiang Zemin's speech at a national forum of propaganda chiefs; he also called on them to place propaganda and ideological work high on the agenda. He urged all levels of party committees to constantly study

major issues related to propaganda and ideological work and to show concern and support for propaganda and ideological work.

In conclusion, Ding Guangen expressed the hope that comrades who are involved in propaganda and ideological work will always bear in mind the trust that the party has placed in them, that they will work hard, that they will not fail the trust of the people, that they will make new advances, that they will reach new heights, and that they will make new contributions.

Zheng Bijian, executive deputy head of the Propaganda Department under the CPC Committee, also spoke at the forum.

Comrades who are attending the national working conference on external propaganda and the XINHUA NEWS AGENCY's domestic working conference also participated in the closing meeting.

Ding Guangen, Li Tieying at Spring Festival Meeting

OW1901102793 Beijing XINHUA Domestic Service in Chinese 0817 GMT 18 Jan 93

[By reporter Qu Zhihong (2575 1807 4767)]

[Text] Beijing, 18 Jan (XINHUA)—Over 400 well-known figures from the capital's cultural circles today gathered at a meeting to exchange Spring Festival greetings. Representing the CPC Central Committee, Ding Guangen and Li Tieying attended the meeting to extend their New Year greetings to writers and artists in the country, and thank those who have rendered their assistance to China's cultural and art development.

Addressing the meeting, Ding Guangen said that writings and arts play an irreplaceable role in a society's spiritual construction. Under the new situation, he said, the vast number of writers and artists should have a firm grip of the spirit of the time; dare to innovate; and create more popular, artistic, and spiritual works to eulogize reform, opening up, and modernization.

Greeting the arrival of the auspicious "Year of the Rooster," veteran, middle-aged, and young artists from various fields pledged to work diligently with higher morale in order to contribute to China's art and cultural development. Cao Yu, chairman of the China Federation of Literary and Art Circles, did not attend the meeting because of illness, but he sent a message, which reads: "Give economic construction, reform, and opening up strong spiritual power and intellectual support."

Leading members of the federation and relevant departments and committees were present at today's meeting.

Huang Hua Marks Soong Ching Ling Anniversary

OW1901144593 Beijing XINHUA in English 1401 GMT 19 Jan 93

[Text] Beijing, January 19 (XINHUA)—Huang Hua, a veteran Chinese diplomat and former foreign minister, published a memorial today to mark the centennial birthday of Soong Ching Ling, the late widow of China's revolutionary forefather Sun Yat-sen.

Huang, who is now chairman of the Soong Ching Ling Foundation, spoke highly of the Great Chinese woman in an article entitled, "Soong Ching Ling's Life in Devotion to the Founding of New China".

Huang recalled that Soong had been a enthusiastic patriot from a young age. When she received news of the victory of China's revolution in 1911, Soong, then studying in the United States, wrote an article to hail the overthrow of the Qing Dynasty as "the greatest event of the 20th century".

In 1913, Soong returned to China and worked as a secretary for Sun Yat-sen. She married the great revolutionary two years later. She had been very helpful over the years accompanying her husband in his revolutionary career, which was often dangerous. She also helped Sun during the first period of cooperation between the Kuomintang and the Communist Party of China (CPC).

After the death of Sun Yat-sen in 1925, Soong carried forward Sun's will and held high the great banner of the "Three Principal Policies", namely to cooperate with Communist-led Russia and the CPC and support the workers and peasants.

In the following years, she braved death to struggle against the Kuomintang regime and helped rescue a large number of communists and patriots arrested by the nationalist government.

During the anti-Japanese war (1937-1945), Soong also played a noted role in forming the second period of cooperation between the Kuomintang and CPC while exerting great efforts to raise funds at home and abroad to aid Chinese troops fighting the invaders.

During that period, Soong founded the China Defense League, which later became the China Welfare Fund.

When the war against the Japanese aggression ended in 1945, Soong was among the first to call for the forming of a united government so as to prevent a civil war. Meanwhile, Soong tried to aid poor children and orphans, according to Huang.

Following the founding of New China, which brought to life Sun Yat-sen's dream, Soong accepted the posts, at various intervals, of vice-president and vice-chairman of the National People's Congress Standing Committee.

In his article, Huang also called Soong Ching Ling an internationally acclaimed peace-fighter.

In the first half of this century, Soong became a member of many international organizations in order to join hands with foreigners in struggles against imperialism and fascism. After 1949, Soong led many government delegations abroad to strengthen understanding and friendship between Chinese and people of other countries, Huang said.

As a top state leader, Soong devoted much time to improving health-care for children and women.

Soong donated the proceeds of a prize awarded her by the Soviet Union for efforts to enhance world peace, along with a contribution fee she was paid for her book *Striving for the New China*, to the China Welfare Fund and the Children's Welfare Fund.

Soong also helped build the country's earliest and largest children's palace in Shanghai, expanded a children's troupe into the children's arts theater and founded a national children's magazine.

In 1982, the Soong Ching Ling foundation was established to carry out Soong's will, which is based on the principles of loving children and caring for their physical and spiritual health, according to Huang.

Since then, the foundation has sponsored and built a large number of projects around the country for children's welfare, education and health. They include schools, museums, hospitals and libraries, as well as awards, Huang said.

Economic & Agricultural

Li Peng Addresses National Meeting of Bankers

OW1801062493 Beijing XINHUA Domestic Service in Chinese 1453 GMT 17 Jan 93

[By reporter Liu Zhenmin (0491 2182 2404) of the Central People's Radio Station and XINHUA reporter Xu Yaozhong (1776 5069 0022)]

[Text] Beijing, 17 Jan (XINHUA)—At the 16 January closing session of a national meeting of bank branch directors and insurance company branch general managers, State Council Premier Li Peng stressed that banks should fully give play to their major role in exercising macroregulation and control over the economy. He said: Banks are an important means of the state for exercising macroregulation and control over the economy. Therefore, they should establish both mechanisms of stimulation and restraint, strengthen internal management, and constantly enhance their political consciousness and service quality in order to make new contributions toward enabling the national economy to develop quickly and properly.

The meeting was held in Beijing 12-16 January. The major task of the meeting was to thoroughly study and fully implement the guidelines set by the 14th CPC National Congress, to study ways to further deepen financial reform and opening up, and to lay out a plan for financial work for 1993.

Li Peng and Zhu Rongji attended the closing session and spoke at the meeting.

Li Peng said: On the eve of the Spring Festival, on behalf of the State Council, I hereby extend my festive greetings and cordial regards to all workers of the country's financial front and to their families.

He said: Last year was a year in which our economy developed at an accelerated pace; a general pattern was maintained in which total supply and demand were still basically balanced. However, a new situation emerged in the financial industry in which the scale of credit was relatively too large, monetary supply was relatively too high, and production prices rose. The party Central Committee has expressly pointed out that we should prevent the economy from getting overheated in a very good situation. Therefore, we must unify our thinking, deepen our understanding, and seriously deal with emerging problems. Our purpose is to preserve and develop the broad masses' enthusiasm, to maintain a relatively good economic structure, and to enable the economy to yield good results while developing at a comparatively high speed. In this respect, the financial industry and banks have a very important responsibility. I hope banks will fully give play to their role in exercising macroregulation and control so they can help advance reform, opening up, and economic development.

On specialized banks' nature and role, Li Peng said: In a situation in which the socialist market has not been well developed, prices are yet to be straightened out, and a complete set of regulations and systems is yet to be established, specialized banks are still the state's means for exercising macroregulation and control. For this reason, specialized banks still need to maintain a dual mechanism—of policy and commercial nature. However, their policy tasks should be gradually reduced, and they should gradually transform themselves into commercial banks. All specialized banks should continue to play a role in exercising the state's macroregulation and control.

Li Peng emphatically stressed that banks should carefully guard two main gates. He said: The first is the gate for granting loans, including all kinds of bonds and debentures, company shares, and overseas loans. The second is the gate of monetary supply. The total amount of monetary supply must be strictly controlled and must not be exceeded.

On the issue of issuing promissory notes in lieu of payments for the procurement of agricultural and sideline products, which prevailed in rural areas in the last few years, Li Peng said: This problem has bothered us for

years and has affected the relations between the government and peasants as well as relations between workers and peasants. It reflects problems in the supply-marketing system and the procurement mechanisms. Banks and grain departments should seriously study this problem and take effective measures to solve it. We should enable procurement funds to be circulated in a better cycle so peasants' interests can be ensured and industrial production can concurrently develop steadily.

Li Peng said: Comrades in financial circles should be aware that building socialism with Chinese characteristics is a process that takes many years. In carrying out our work, we must "grasp two links at the same time"—promoting reform and opening to the outside world and, at the same time, cracking down on criminal activity. We must promote the "two civilizations," and not abandon a fine tradition of plain living, hard struggle, and self-reliance. He called on banks to continue carrying out internal consolidation, improve internal management, conduct thorough investigations into major cases, emphasize both political integrity and professional ability in cadre selection to improve the quality of banking personnel, and truly carry forward the fine tradition of people's banks. He called for putting more weight on reform and opening up the financial sector; building a financial system that meets the needs of establishing the socialist market economy; setting up and perfecting an organizational structure that is led by the central bank, founded mainly on state commercial banks, and features cooperation among multiple financial agencies on the basis of a division of labor; setting up and developing a fair, highly efficient, open, and unified financial market system nationwide; setting up a macro-control system that integrates direct and indirect control, with the former gradually giving way to the latter; setting up a modern and standard financial management system based on laws; and further expanding reforms and opening up to the outside world and developing a gradually internationalized financial business.

In his speech, Vice Premier Zhu Rongji affirmed the major contributions the financial circle made to last year's high economic growth rates. He said: Last year's progress of the national economy is inseparable from hard work on the financial front.

Speaking of work in the banking sector, Zhu Rongji pointed out: It is necessary to tighten control over overall volume and exercise strict macro-control. Banks, the final point for control of overall volume in the national economy, should be strict from the very beginning. They should control not only the size of loans but also the issuance of currency. Investment volume in fixed assets must be based on real strength, including the availability of funds, foreign exchange and raw materials. Economic sectors should continue to implement correct policies such as limiting production of overstocked goods, promoting sales to reduce stockpiles and reducing enterprise losses and increasing their profits this year. Production of those products which can not be sold or transported must be stopped.

Zhu Rongji pointed out: It is necessary to deepen financial system reform and set up a banking risk mechanism. The special banks which are monetary enterprises should be independent in their operations and be responsible for their own profits or losses. They should have incentive mechanisms and bear risks as well. Banks should no longer be taken for cashiers or accountants of the government or governmental departments.

Zhu Rongji also stressed the need for strict control of issuance of bonds and securities and the establishment of new financial institutions. He said: Issuance of stocks, following the state plan, should first undergo experimentation in a well-organized way and be spread based on successful experience. It is imperative to protect the interest of the public. By no means should many stocks be issued indiscriminately. The joint stock enterprises should be piloted in accordance with regulations issued by relevant departments of the State Council. "Spreading the experience first and regulating later" is not allowed.

At the opening of the national meeting of bank branch directors and branch general managers of insurance companies, Li Guixian, state councillor and governor of the People's Bank of China, delivered a work report entitled: "Accelerating Reform and Opening Up in Financial Circles and Developing a Financial System that Meets the Needs of Establishing a Socialist Market Economy."

Leading comrades present at the closing session were Yao Yilin, Zou Jiahua, Li Guixian, Li Lanqing, and Luo Gan.

Zhu Rongji Stresses Caution Amid Economic Growth

HK190113593 Hong Kong TA KUNG PAO in Chinese
17 Jan 93 p 2

["Special article" by Ho Shui-ye (0149 4482 1837): "Zhu Rongji Discusses Economic Development in Liuzhou, Calls for Cool Head"]

[Text] Guangzhou, 15 Jan (TA KUNG PAO)—China's economic development was accelerated last year. While people are bidding farewell to the outgoing year and ushering in the new year, State Council Vice Premier Zhu Rongji has issued a warning with his analysis of the economic situation: Last year saw a tendency of "overheating" with certain "hot spots"; in this connection, everybody must remain cool-headed, strive to maintain an overall balance, and maintain comprehensive development, so as to ensure a high speed and satisfactory returns.

No Fantasy for Development Zones

Statistical data show that nearly 2,000 development zones of different types had been founded across the country by mid 1992, covering a total area of 15,000 square [sq] km. Projects have already begun on different

sites with a total area of 307 sq km. Quite a few departments have admitted that they had overdone in approving land leases and real estate projects, and this had resulted in a boom in development zone projects at the expense of vast stretches of fine farmland.

Zhu Rongji made the above criticism and warning during his inspection tour of Liuzhou, Guangxi the other day. He first commended the Liuzhou authorities for their decision to establish only one scientific and technological development zone with a total area of only 1 sq km. He recalled that when Shanghai began to run a development zone in 1984, the zone was confined to an area of only 1 sq km, too. Nowadays, however, some localities are readily establishing the kind of development zone projects that cover 20 to 30 sq km each. Zhu Rongji said this is a "fantasy," a 100-percent crazy idea! "Nobody is coming to invest in those projects which will only reduce the area of farmland. What is the use of so many development zone projects?"

Analyzing the situation in light of the information he had acquired as director of the Economic and Trade Office and director of the Production Office of the State Council, Zhu Rongji noted: "The investment scope was overexpanded last year, the scale of investment in fixed assets was large, certain 'hot spots' had become overheated, and the high growth was to a certain extent due to investment-pull factors."

Certain "Hot Spots" Are Too Hot Indeed

The control over the scale of capital construction which had been tightened for several years was substantially relaxed last year. This factor, as Zhu Rongji put it, has brought about "prosperity in the iron and steel industry, the engineering sector, the machine-building industry, and the cement industry. But the market condition will not necessarily be as good as last year."

Although the model of planned economy has been gradually replaced by the market economy in China, macro-economic regulation and control can still be applied through the formulation of corresponding policies, and imbalance in the microeconomic and specific operations will possibly affect the overall economic results. Zhu Rongji revealed that the state will appropriately readjust economic growth in the coming two years, and those sectors which are overheated will be "cooled down." "Of course I do not mean that all sectors that enjoy high growth are invariably 'overheated.' So long as an industry turns in good economic results, its products are marketable, and it is export-oriented, then the higher the growth rate, the better," he added.

A businessman from New Zealand frankly noted in an interview the other day: Foreign investors are cautiously watching the trend and speed of economic development in China. It is believed that now is still not the time for them to start massive investment in China. Foreign consortia are well aware that China's hard environment for investment is still not sound, but another point they are more concerned about is that they want to make sure

that the investor's interests are protected and free from the influence by such human-dominated factors as policy-related risk, and the quality of leaders and other technical and administrative personnel.

Importance Is Attached to Both Growth Rate and Economic Returns

Therefore, in implementing the spirit of Deng Xiaoping's remarks during his southern tour and furthering the reform and opening up, local authorities in China obviously need to do something more than simply draw in foreign funds and expand the scale of projects. Zhu Rongji pointed out: One needs to comprehensively understand the spirit of Deng Xiaoping's remarks during his southern tour, and earnestly implement them in a down-to-earth manner. In Mainland China the state-run economic sector still dominates the economy and the immediate interests of executives in charge of enterprises are not related to the management of the enterprises; therefore, quite often they may manage their enterprises indiscreetly. Zhu Rongji repeatedly warned that one must remain sober-minded and use caution. People in charge of local governments and enterprises must make every specific decision carefully in light of actual circumstances.

He asserted that being cautious does not mean being overcautious, but giving more consideration to difficulties. China's economy is to develop along the path of overall balance and comprehensive development, which stresses both high speed and good economic returns.

Article Warns on Number of Development Zones

HK1501060693 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 51 21 Dec 92 pp 16-17

[Article by Li Yongzeng (2621 3057 1073): "Woes and Weals for Economic Development Zones—Part Three of the Year-End Economic Commentary"; Part One of the "year-end economic commentary" was published in the Economic & Agricultural section of the 23 December 1992 China DAILY REPORT, beginning on page 39, under the headline "Journal Hails 'Healthy Economic Development'"; Part Two was published in the Economic & Agricultural section of the 8 January 1993 China DAILY REPORT, beginning on page 34, under the headline "Article on 'Craze' for Engaging in Business"]

[Text] Looking back at China's economic life in 1992, we discovered an increasingly noticeable phenomenon of what fashionable mainland terminology describes as a "development zone fever."

In the mid-1980's, the state decided to open up 14 coastal cities to the outside world. Each city marked out land for the establishment of an economic and technology development zone and formulated preferential policies to attract foreign capital and technology with which to create a window on the outside world. Shortly

after this policy was unveiled, the country's first self-financed development zone appeared in Kunshan County, Jiangsu Province. Thereafter, following the same model, high and new technology and production development zones, tourism development zone and so on have appeared, all of which, however, were founded after rigorous studies, with careful planning, and under strict central control.

Following Deng Xiaoping's southern inspection tour speeches in the spring of 1992, there was an upsurge, like a spring tide, of an urgent wish across the country to increase the pace of economic development. Since there was no doubt that a market economy was now being pursued, everybody did what they were best at: Learning from the success of the coastal economic and technological development zones and passed approval on their own bids to set up various kinds of development zones. This reporter was once invited to cover developments on the Liaodong Peninsula. There were development zones everywhere, in cities and counties and even townships, towns, and villages. On a rough estimation, there are now 76 development zones in Liaoning Province, with 870 square km of land designated for development. Jiangsu is even worse. Across the province there are 98 county-level development zones, with 550 square km of land marked out for development. The economically backward Hunan has 43 county-level development zones and 68 at the township level, 211 in total. According to more reliable statistics, by the third quarter of 1992, there were 1,951 development zones of various types throughout the country, 37 of which had State Council approval and 176 provincial approval, adding up to 213; while the remaining 1,738 development zones were all approved and set up by authorities below provincial level, almost all of them in 1992. There was another figure from the agricultural department: By the end of October, development zones of various kinds at or above county level throughout the country topped 8,700. The gap between the two figures results from different data collection channels and targets polled. If merely putting up a new office plate is opening a development zone, even 10,000 development zones across the country would be an underestimation.

The massive growth of development zones in a matter of months indicates that China's opening up to the outside world is widening from the coastal region along the rivers into the vast interior. The whole of China is opening up to the world. The primary goal of setting up development zones is to attract foreign capital and technology, like building a nest to lure phoenixes in, so as to link up closed and backward economies with the international market. A year's practice proves that the construction of development zones did play a positive role in attracting more foreign capital and promoting economic development. The year 1992 saw the construction of the largest number of development zones and biggest inflows of foreign capital. Although there is no necessary causal relationship between the two, it cannot be denied that a larger number of development zones did play a positive role in attracting more foreign capital.

Second, as a "small special zone" in a locality, a development zone enjoys all kinds of preferential policies and creates a favorable local climate for pioneering reforms. Its new operational mechanisms, designed to fit into the international market, and its procedures modelled on international conventions will inevitably clash even more violently with old concepts, institutions, and practices. And it will achieve new breakthroughs in many areas not easily achieved by other localities, thus providing specific applicable experiences for reform and opening up in other wider areas, and this in turn will act as an active promoter for local reform and opening up.

We should say that the national "development zone fever" is something that benefits the country and the people and should be congratulated, as long as there is proper guidance and the fever is heated "just right." Macroscopic regulatory and control measures must work in accordance with the laws of market development and economic, administrative, and legal moves must all be well coordinated so that the law of survival of the fittest applies.

The thing that worries people right now is that development zones are taking up too much land. From provincial and prefectural down to county and township levels, once people are allowed to set up a new development zone, they gallop off to claim land. There are now close to 2,000 development zones across the country, claiming a total of 1.5 million hectares of land for planned development. Agricultural departments have cried out in alarm that the massive establishment of development zones has in effect become a second nationwide wave of encroachment on agricultural land. The 1984-1985 land encroachment, a result of small town development and the growth of township and town enterprises, reduced national farmland by 15 million mu, an all time high. The present development zone fever looks set to greatly overtake the mid-1980's trend of land encroachment.

Development zones are being launched too fast and on too large a scale, and this betrays a certain blindness. If the project falls through, nobody will be interested in paved land. There will be no way to retrieve the lost funds and farmland will have been destroyed. This would be a great waste. China is a big country but only one-tenth of its land is cultivable, that is a little over one mu of cultivable land per capita. Each year, as the population increases, there is less cultivable land per capita. Therefore, it is necessary to treasure each inch of land and make use of it with great care and economy. At present, 1.5 million hectares of land has been or is slated to be taken up by development zones, most of it good farmland around towns. Only 30,700 hectares—about two percent—of it is being developed, and the rest is being left undeveloped or untilled and allowed to deteriorate into waste ground. Hunan Province now has 211 development zones, and an estimated 300 billion yuan would be needed if it started developing all of them. Obviously, the fever must have gone to people's heads as they cannot even develop the land they have obtained.

Another worry caused by the development zone fever is that people are competing with each other in liberalizing policies. Whether covering events in a locality or attending a news conference, the likeliest phrase one hears is that this locality has good preferential policies for attracting foreign capital and "we have here whatever the special economic zones have." Another one is "special approval for things concerning special zones." In other words, so long as you invest we will give you whatever policies you want. Obviously this manner of opening up to the outside world is inadvisable. Economists point out that claiming one's own locality is better than others in terms of preferential policies is unwise, as foreign businessmen may get suspicious and eventually you will only make a fool of yourself. An environment where policies can be made or changed at will is in fact one without a stable policy. Competing with each other in liberalizing policies will result in internal waste, increase the cost of attracting foreign capital, and will undercut one's prices. The important mark for the quality of an investment environment is the real situation that confronts current foreign ventures. They are the best living advertisements and are more convincing than any liberal policy.

The boat is steadier when not travelling at full sail, and the device more stable when not used to its capacity. Economic construction is a very pragmatic business, one in which we cannot overreach ourselves. The pursuit of development zones is good. But we must remember the old saying: Act according to one's capability.

New Suggestions on Building Market Economy

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GMT 19 Jan 93

[Text] Beijing, January 19 (XINHUA)—Six propositions have been put forward by the State Commission for Restructuring the Economy on how to build the new socialist market economy system.

- To establish a fair and efficient ownership system with long-term co-existence and common development of various sectors of economy. Public ownership remains the predominant sector, with the self-employed, privately-owned and foreign-funded sectors as a supplement.
- To separate the functions of government from those of enterprises, and property rights from management rights within enterprises. As independent legal entities, enterprises should make their own decisions on internal management and development, take responsibility for gains and losses and form a self-restriction mechanism.
- To set up a united, open, fair and competitive market system and pricing mechanism with sound and comprehensive rules and good running order.

—With economic policies and levers as the main means of macro-regulation and control, an indirect management system should be established with the aim of keeping the total supply and demand in balance and optimizing the general structure;

In accordance with the rules of socialist market economy, simplified and high-efficiency economic management institutions should be founded with rational structure and clear responsibility.

—To establish an open and competitive labor and employment system channeling dual choices between enterprises and employees;

To form an income distribution system with remunerations according to one's work as the main mode and other modes as a supplement and a unified and comprehensive social guarantee system.

—To set up a strict, scientific, unified, and comprehensive economic legal and supervisory system.

Major Economic Restructuring Tasks Decided

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[By reporter Zhang Jinsheng (1728 6930 0524)]

[Text] Beijing, 12 Jan (XINHUA)—While deciding on the major tasks for China's economic restructuring this year, the State Economic Restructuring Commission recently raised the overall requirements for this year's economic restructuring—namely, striving to make substantial progress in key areas such as transforming the operating mechanisms of enterprises, transforming the functions of governments, straightening out relationships in terms of property rights, and rationalizing price reform as well as the reform of the systems for developing market and macroeconomic regulation. The commission said these requirements should be met by firmly planting our feet when carrying out the tasks of accelerating structural readjustments, increasing economic returns, and resolving the profound contradictions that exist in our economic system in accordance with requirements for fulfilling the objective of establishing a socialist market economic system.

The State Economic Restructuring Commission contended that 1993 will be the first year in which we carry out reform in accordance with the requirements for establishing a socialist market economic system, as well as a year that will play an important role in inheriting the past and ushering in the future. It is necessary for us to fully understand and conscientiously implement the guidelines laid down by the 14th CPC National Congress; to further emancipate our minds and change our concepts; to employ the theory advanced by Comrade Deng Xiaoping on building socialism with Chinese characteristics to guide practice in reform; and to encourage bold exploration and active experimentation, while paying attention to coordination between reform.

opening up, and development, by persisting in proceeding from our national conditions so that we can lay a more solid foundation for establishing a new socialist market economic system during the initial part of the 1990's and promote national economic development to a new level in a better and faster way.

The State Economic Restructuring Commission proposed the following eight major tasks for this year's reform:

—We must pay close attention to implementing the "Regulations" and delegating decisionmaking powers for business management and operations to enterprises in an all-round way. Conscientiously implementing the "Regulations Governing Transformation of the Operating Mechanisms of Industrial Enterprises Owned by the Whole People" remains the central task for this year's reform. It is necessary to pay close attention to drawing up specific measures and supplemental rules for implementing the "Regulations" and to strive to have all or most of these measures and rules promulgated in the early period of this year. We must take effective measures to give, one by one, decisionmaking powers for business management and operation to enterprises, while emphasizing their independent powers to make decisions on personnel management, the hiring of workers, internal distribution, the establishment of organizations, and import and export in foreign trade, as well as give them the power to reject the imposition of arbitrary quotas. Meanwhile, it is necessary for us to deepen enterprises' internal reform and to work to gradually establish new systems governing employment of workers, appointment of cadres, and distribution of income.

—We must focus efforts on the major task of transforming the operating mechanisms of enterprises and, meanwhile, work successfully in reforming the organization of enterprises, as well as their forms of business operations, expedite the establishment of a new type of enterprise system and accelerate rational adjustment of the structure of enterprises, and further improve the contract system of managerial responsibility. Enterprises whose contract term expires this year may continue to implement the contract system or adopt other forms of business operations in light of specific conditions. We must encourage enterprises whose conditions permit the active payment of taxes plus a percentage of profits. Some of these enterprises may be reorganized to implement the share-holding system. While trying to straighten out enterprises' relationships in terms of property rights, we may proceed with the implementation of the share-holding system at selective enterprises on a trial basis in a planned way. The focal point of our trial implementation of the share-holding system is to promote development of companies with limited liabilities. We must promote the incorporation of companies with limited shares, some portions of which are held by legal persons, in a well-organized way and under proper guidance. All areas and all departments may choose

one or two enterprises assigned and approved by the state to make their shares public and conduct share trading at different areas on a trial basis. It is necessary for us to further quicken the pace of adjusting the organizational structure of enterprises, to encourage economic conglomeration between enterprises of their own accord, to improve enterprise groups and promote their development, to promote various forms of acquisition and merger between enterprises, and to take supportive measures to make new progress in enterprise bankruptcy announcements in accordance with the law. We may reorganize some small-sized industrial enterprises owned by the state, some commercial establishments involved in retail sales, and some catering businesses into cooperative enterprises that implement a share system; we may reorganize them into collective, partnership, or privately-run enterprises through the auction of their property right; or lease or sell them to other parties for business operations.

—We must accelerate price reform and make noticeable progress in further rationalizing price relations and enabling a reasonable pricing mechanism to take shape; we must combine relaxation of price control with price adjustment, and adopt this method with price control relaxation playing the dominant role in the adjustment of prices for some coal, oil, and other energy products, some raw and semi-finished materials, and railway transportation freight; we must gradually relax control over the prices of such staple agricultural products as grain and cooking oil and choose an opportune moment to relax control over grain buying and selling prices; and we must relax control over the prices of all industrial consumer goods, provided it is all right for control of such prices to be relaxed. In the course of price reform it is necessary for us to adequately take into consideration the capability of all involved to bear the impact when we decide on the extent of relaxation of control over prices and the extent of price adjustment in order that we may prevent a new round of inflation from being touched off by price reform.

—We must further establish a system of unified and open markets and nurture their development by focusing our attention on the wholesale market, the market for means of production, and the market for key elements. It is necessary to establish and improve the wholesale market for agricultural and sideline products in selective areas; to reform the system of holding trade fairs for the placement of goods and materials orders, to develop the market for means of production in selective areas, and to promote trade by long-term contract as well as commodities futures trading; and to make vigorous efforts to foster market development for such key elements as capital, technology, labor, and real estate and to keep improving the market. When trying to foster development of the market, we must pay attention to establishing a unified and open market by resolutely opposing blockades between different areas and barriers between

different departments or regions. The market must not be run so that it becomes a hotbed for whichever department is in charge to obtain personal gain from its management. We must improve the laws and regulations governing the market and spend time and efforts on expediting market participation through economic relations.

- We must further reform the system of planned investment and explore new forms of planned guidance and new methods of investment suited to the needs of a socialist market economy. It is necessary for us to continue to decrease the proportion of mandatory plans issued by the state for industrial production targets; with important means of production and industrial consumer goods where supply basically meets demand and price controls have been relaxed, we may cancel mandatory plans for production targets; and for some commodities we may replace mandatory plans for production targets with state plans that will guide their supply to meet market demand and with order placement by the state on a trial basis. It is necessary for us to further reform the investment system; to encourage local governments to invest in basic industries and public utilities which do not face competition from others; to delegate directly to enterprises decision-making power on industry investment, especially the processing industry, which faces competition from others; to establish a standardized and stable system of funds for state investment that produces a beneficial cycle; and to implement a system of responsibility to be assumed by owners of projects in an all-round way and gradually expand the trial method of investment through the acquisition of shares.
- We must deepen reform of the financial taxation system that stresses the implementation, on a trial basis, of a "system in which local and central governments share tax revenues" and the imposition of value-added tax in a bid to gradually rationalize the distribution relationship between central and local governments and between the state and enterprises. It is necessary for us to implement vigorously a system of "having enterprises pay taxes plus a percentage of profits and repay loans after tax payment"; to improve management through double entry bookkeeping; and gradually to scrap policy subsidies for deficit-ridden enterprises and establish regulatory funds for special, relevant projects. With regard to reform of the taxation system, we are going to implement uniform tax rates; to collect value-added tax on the basis of standardized calculations; to merge individual income tax with individual income regulatory tax, and industrial and commercial taxes for self-employed businesses in urban and rural areas, to establish a unified individual income tax; and to reduce the overall level of tariffs in a planned way to meet the requirements for "entry into the GATT."
- We must make vigorous efforts to promote reform of the banking system and strengthen the functions of the means of banking in regulating banking and economic activities. The central bank should become the bank of banks and will no longer operate specific loan business. Instead, it will exercise indirect administration over specialized banks and financial institutions which are not banks. For the first time, management of the Communications Bank of China will be conducted on the basis of the ratio between its assets and liabilities on a trial basis this year to gain experience for the reorganization in a planned way of a specialized bank into a competitive, commercial bank. It is necessary for a specialized bank to vigorously explore measures to manage policy and commercial loans with different bookkeeping and appropriate separation of its organizations. While making continued efforts to develop the market in loans between enterprises of the same trade or business and the foreign exchange market, we must further open the stock market and increase in a planned way the number of listed companies.
- We must conscientiously do a good job of establishing a social insurance system and promote in an all-round way reform of the housing and land systems. The major task of a social insurance system is provision of insurance for those awaiting employment and the aged in need of support. We must expedite the fund-raising process at the provincial level for the expense of providing support for the aged; improve measures for the implementation of an insurance system, at enterprises owned by the people, for those staff and workers awaiting employment; do a good job in providing for those who have been injured in the performance of their duties medical care covered by insurance at selective areas on a trial basis; and vigorously promote reform of the medical care insurance system. It is necessary for us to establish a unified social insurance management system by integrating this endeavor with organizational reform, and strive to make effective progress in smashing barriers between different departments and between different regions and in rationalizing the management system. In carrying out reform of the housing system, we must focus attention on reforming the system of low house rentals and at the same time promote the lease, sale, and construction of housing units. All areas across the country will start reform of the housing system this year. We must take effective measures to prevent the overheated growth of the real estate industry from causing an impact on our housing system reform. We must reform the measure on the administrative transfer of land; establish a system of leasing, transferring, and transferring again to a third party, the right to use land at a price and within a specified period of time, and work to improve the system; and, on macroeconomic regulation as well as supervision and control by law and regulation, we must take measures to prevent the approval of land lease at low prices, land lying idle after approval, and the diversion of revenues from the transfer of land use rights, in a bid to bring about a beneficial cycle.

'Roundup' Links Prosperity, Agriculture

OW1701225693 Beijing Central People's Radio
Network in Mandarin 2230 GMT 15 Jan 93

[*"Roundup"* by station reporter Yang Guiming; from the *"News and Press Review"* program]

[Text] [Yang Guiming] Listeners, one after another glad tidings about the good agricultural harvests were reported in 1992. Despite drought in many parts of China, the total grain output still reached 440 billion kg in 1992, the second record year after 1990. The output of cotton, edible oil crops, sugar crops, and other cash crops, particularly fruits and vegetables, also increased greatly. A vast variety of commodities flooded urban and rural markets. Forestry, animal husbandry, and aquatic industries also enjoyed remarkable increases. The total output value of village and town enterprises exceeded 1,500 billion yuan, representing an increase of 35 percent over the preceding year. The total number of workers employed by village and town enterprises reached 100 million, outstripping that of workers employed by state-run enterprises. Agricultural Minister Liu Zhongyi gives the following assessment of the current rural situation:

[Begin Liu Zhongyi recording] The current economic situation in rural areas is excellent. Some problems, however, have cropped up in the course of deepening reform and accelerating development. One of the problems is the declining economic efficiency in agricultural production, particularly in grain and cotton production, which affects production initiative. [end recording]

[Yang Guiming] If we put the remarks of Minister Liu Zhongyi in concrete terms, then we can see that between 1989 and 1991, the annual average net increase in farmers' per capita income was, after deducting price increases, a mere 0.7 percent. The income gap between urban and rural citizens and the price differences between industrial and agricultural products, which showed signs of being narrowed, widened again. In addition, the difficulty of selling grain, issuing IOU's, and all sorts of levies have caused great dissatisfaction among farmers in some parts of the country. Several tragic cases in which farmers were driven to commit suicide were reported in the nation last year. The party and the state have always stressed agriculture.

General Secretary Jiang Zemin visited Hubei to investigate rural work. On two occasions, Premier Li Peng also invited responsible comrades from some provinces, autonomous regions, cities, and counties to Beijing to discuss agricultural issues. The two top leaders have again and again called on all levels of party committees to prioritize agriculture in economic work; they urged local party and government leaders to be personally involved in agriculture. They called for unwavering adherence to this guiding thought of stressing agriculture. Recently, the State Council called another national teleconference on agricultural work at which 10 specific measures to protect the interests of farmers and to ensure

the stable development of agriculture were announced. Yang Yingde, deputy director of the Research Office under the State Council, said that the instructions given by two leaders and the 10 measures adopted by the State Council have not only dealt with coping with such emergencies as ensuring procurement, cashing IOU's, and lightening farmers' burdens, but also dealt with the long-term policy of increasing investments in agriculture, of ensuring grain production, of readjusting the industrial and product mix, and of developing the three-highs [high yield, high quality, high economic efficiency] of agriculture. He briefly introduced some of this year's concrete measures.

[Begin Yang Yingde recording] First, we will practice a protective pricing system for procuring grain. Second, price differentials for subsidized prices of chemical fertilizers and diesel oil [words indistinct] direct profits will go to the farmers. Third, we will practice a system of setting price ceilings for the production means of such products as chemical fertilizers, pesticides, and farm-use plastic sheeting. Fourth, in places where controls on grain prices are lifted, financial subsidies will be used to set up risk funds for grain production. [end recording]

[Yang Guiming] In a sense, the weaknesses of agriculture, rural areas, and farmers have been exposed by the opening of the market. For instance, when some provinces stopped the practice of announcing grain production plans last year, some farmers were at a loss and did not know what to grow. They said that while they welcomed lifting the controls, they were also apprehensive about the effects of such an action; and they also said that they felt the same way regarding the market opening. Faced with such a situation, what should the government do? I recently talked with some experts and researchers, and they suggested adopting other countries' practices—that is, the state places orders for needed grain with grain-producing areas at the beginning of every year. Grain-producing areas then proceed to sign contracts with farmers. After the contracts are signed, the areas advance deposit funds for procuring grain to farmers and provide farmers with information on grain procurement prices, on chemical fertilizers and diesel oil at subsidized prices, and on other farm-support measures, and this information will help farmers reach decisions. The initiative of farmers will be mobilized as long as they reap profits from growing grain.

We have mixed feelings following a review of farm and rural work in 1992. While we are pleased with the good harvests, we are also concerned about agricultural problems. Despite all this, we are full of hope for the future. At a time when we are building a socialist market economy, we should better protect farmers' interests, mobilize their initiative, and maintain the stable development of agriculture, particularly in guiding farmers to become more market-oriented. We should devote more of our energies to these areas.

Customs Service To Widen International Contacts

*OW1501091093 Beijing XINHUA in English 0842
GMT 15 Jan 93*

[Text] Shantou, January 15 (XINHUA)—China's customs service will carry out a reform of its current management in the light of international practice through promoting international co-operation, a senior customs official said here today.

Wu Naiwen, deputy director of the General Administration of Customs, said that more international exchanges will help promote the reform of the country's customs service.

At a ceremony marking the 40th anniversary of the Customs Co-operation Council, Wu said that since China joined the council in 1983, the country has participated actively in all activities organized by the council and in the council's various conventions and pacts.

At the ceremony, ten outstanding customs officials from across the country were praised for their performance by both Chinese customs authorities and the council.

East Region

Anhui Party Committee Meeting on IOU Payments

OW1501132093 Hefei ANHUI RIBAO in Chinese
2 Jan 93 p 1

["Enlarged Meeting of Provincial Party Committee Makes Arrangement To Honor 'IOU's' Issued to Peasants Within A Specified Time"]

[Text] At an enlarged meeting of the provincial party committee held on 31 December, this reporter learned that the provincial party committee has made arrangements for all localities in the province to honor before 10 January all "IOU's" issued to peasants. It also instructed provincial grain and food bureaus as well as agricultural banks to take practical and strong measures in all localities in supporting and helping peasants purchase commodities for the Spring Festival so they could spend a good new year and prepare for spring farming. Lu Rongjing, secretary of the provincial party committee, pointed out: It is necessary to consider payment of the "IOU's" issued to peasants as a political task and to fulfill it within a specified time. This is the first practical work as a result of the party committee's quick implementation of the guidelines of the Six-Province Discussion Meeting on Agriculture and Work in Rural Areas and the National Television and Telephone Meeting on Agriculture.

Attending the meeting were responsible comrades of the provincial advisory committee, provincial people's congress, provincial government, provincial committee of the Chinese People's Political Consultative Conference, and relevant departments directly under the provincial government. Fu Xishou, deputy secretary of the provincial party committee and governor of the provincial government, conveyed the important speeches delivered by General Secretary Jiang Zemin and Premier Li Peng respectively at the Six-Province Discussion Meeting on Agriculture and Work in Rural Areas and the National Television and Telephone Meeting on Agriculture. Based on their earnest study and understanding of the guidelines of the central leaders' speeches, comrades attending the meeting enthusiastically discussed the need to consider the province's actual situation, and firmly established the ideology that agriculture is the foundation for implementing several tasks. These tasks include protecting peasants' interests, arousing peasants' enthusiasm in production, developing a socialist market economy in rural areas, enhancing our capability in macroeconomic regulation and control, and strengthening and improving the party leadership in rural work in an all-around way. The meeting focused on studying problems in our province's undertakings in agriculture and rural areas that need urgent solutions, and made appropriate plans for solving them.

Lu Rongjing, secretary of the provincial party committee, presided over and spoke at the meeting.

Fujian Leader Meets Hong Kong, Taiwan Reporters

HK1501131693 Fuzhou Fujian People's Radio Network
in Mandarin 1100 GMT 13 Jan 93

[Text] This morning in Fuzhou's Xihu Guesthouse, provincial Governor Jia Qinglin, who has been reelected for another term, met with reporters from Hong Kong, Macao, and Taiwan who had come to cover the First Session of the Eighth Provincial People's Congress and the First Session of the Seventh Provincial Chinese People's Political Consultative Conference and held a cordial informal discussion with them. During the meeting, provincial Governor Jia Qinglin said: You reporters have seen much and are knowledgeable; you can make your own comparisons and form your own opinions. You may see these questions more clearly than we. Please come up with more valuable opinions. You all hope that Fujian can be developed more quickly, and this is our hope too. During the discussion Governor Jia Qinglin frankly exchanged views with these reporters from Hong Kong, Macao, and Taiwan on the question of how to step up the pace of Fujian's reform and opening up and economic construction, and to narrow its gap with the bordering developed regions. Moreover, Jia Qinglin answered all the questions in which the reporters were interested. When the meeting ended, Governor Jia Qinglin hoped that they would make more visits to Fujian in the future and promote the further development of Fujian's ties with Hong Kong, Macao, and Taiwan. Present at the meeting were (Wang Shiyun), deputy head of the provincial propaganda department, and (Li Jinta), person in charge of the provincial government's press office.

Prefectural-Level Laiwu City Organizes Bodies

SK1601061193 Jinan Shandong People's Radio
Network in Mandarin 2300 GMT 15 Jan 93

[Text] The party committee, the People's Congress Standing Committee, the government, the Chinese People's Political Consultative Conference [CPPCC], and the Discipline Inspection Commission of Laiwu city at the prefectural level formally began official business on 15 January.

(Zhang Dingmao) was appointed as secretary of the city party committee and chairman of the Standing Committee of the city People's Congress; and (Qian Lizhen) was appointed as mayor of the city and chairman of the city CPPCC Committee.

Zhao Zhihao, Liang Buting, Lu Hong, and Lu Maozeng attended the news briefing to announce the formal opening of these organizations.

Shanghai Financial, Legal Affairs Office Opens

OW1601193393 Beijing XINHUA in English 1518
GMT 16 Jan 93

[Text] Shanghai, January 16 (XINHUA)—The Shanghai Financial and Legal Affairs Office opened business today in this oriental metropolis.

The office, which is registered in the Pudong New Area, consists of senior professors and experts on general law, and on financial and economic laws and regulations. It will also invite more than 30 celebrities from the circles of finance and law to be advisors.

The organization will adopt a cooperative system and will mainly provide services including legal advice and representation, consultancy in legal affairs and guidance on property rights.

Shanghai Aims To Expand Business Abroad

OW1601193593 Beijing XINHUA in English
1437 GMT 16 Jan 93

[Text] Shanghai, January 16 (XINHUA)—Shanghai has decided to expand business in foreign countries in a bid to directly compete on the international market.

This decision was announced today at the conclusion of a meeting on Shanghai's foreign economic relations and trade.

The city will establish more trans-national group companies and trade centers in Japan, West Europe, the Middle East and South America, apart from those already opened in the Commonwealth of Independent States (CIS), North America and Hong Kong.

The city will encourage trade, industrial and commercial enterprises to set up cooperation entities to develop a trans-national chamber of commerce to support state enterprises develop businesses abroad.

Currently Shanghai has five companies which undertake contracting projects in foreign countries and labor cooperation with overseas partners.

To make them adapt to the intense competition on the international market, Shanghai will also reform the management systems of foreign trade enterprises.

According to concerned regulations, apart from the implementation of contract responsibilities and shareholding, foreign trade enterprises which have branches abroad have the right to buy products of domestic industrial enterprises.

Shanghai has laid a solid foundation for its development of business abroad. The city has set up more than 300 productive and processing enterprises in Europe, America, the Middle East and southeast Asia.

More than 1,200 productive enterprises have been granted power to export their own products and the city has established more than 3,200 foreign funded enterprises.

In 1992 the city's trade volume reached 9.75 billion U.S. dollars, 21.28 percent more than that of 1991.

Pudong Land Use Bureau Begins Operations

OW1601193293 Beijing XINHUA in English
1525 GMT 16 Jan 93

[Text] Shanghai, January 16 (XINHUA)—The Bureau of Comprehensive Land Use Planning in the Pudong New Area of Shanghai started operations today, and marked an improvement in the administration in the area.

The bureau is expected to be in charge of overall planning for the area's social, economic and urban development in terms of macro-control, the leasing of land use rights and the administration of land use in Pudong.

Zhao Qizheng, director of the Administration Committee of the Pudong New Area, said that the bureau is to facilitate reasonable land use in the area.

In addition, the Administration of Industry and Commerce in the Pudong New Area is to open on January 19 this year.

Zhejiang People's Congress Elects Vice Governors

OW1801222693 Beijing XINHUA Domestic Service
in Chinese 0355 GMT 16 Jan 93

[By reporter Tang Qingzhong (0781 1987 1813)]

[Text] Hangzhou, 16 Jan (XINHUA)—The First Session of the Eighth Zhejiang Provincial People's Congress, which is currently in session in Hangzhou, elected Chai Songyue, Liu Xirong [0491 6932 2837], Long Anding [7893 1344 1353], Zhang Qimei [1728 0796 2812], Xu Yunhong [6079 6663 7703], and Xu Zhichun [1776 1807 4783] vice governors of Zhejiang.

Zhejiang Continues Ningbo Trade Zone Construction

OW1601060593 Beijing XINHUA in English 0525
GMT 16 Jan 93

[Text] Ningbo, January 16 (XINHUA)—Construction of a free trade zone is going full steam ahead in Ningbo, one of China's open coastal cities in Zhejiang Province.

Using a total investment of 75 million yuan since 1991, the zone has completed construction of infrastructural facilities on 0.59 square km.

Covering a total area of 2.3 square km, the Ningbo zone is located at Beilun, China's most advanced port for international containers.

Although the zone has not yet been officially put into service, a local official said, 26 enterprises engaged in processing export-oriented goods and foreign trade have been registered in the zone, with a combined investment of 630 million yuan.

At present, 14 enterprises in the zone have leased the right to use 260,000 square meters of land, and preparations are under way for building banking, commercial and customs office buildings in the zone.

Hangzhou Improves Communications, Transport

OW1601061693 Beijing XINHUA in English
0500 GMT 16 Jan 93

[Text] Hangzhou, January 16 (XINHUA)—Hangzhou, one of China's major scenic spots and capital of Zhejiang Province, plans to make more efforts to improve its communications conditions.

The new facilities will include an international airport, a third bridge across the Qiantang River, a railway station, a ring road and the harnessing of the Hangzhou section of the Beijing-Hangzhou ancient grand canal.

An official in charge of communications said that the picturesque city receives some 600,000 tourists from overseas and 30 million from other parts of the country each year.

However, its present poor traffic facilities create difficulties for the activities of visitors.

The city government plans to invest about six billion yuan in transforming, expanding and building communications facilities in the 1991-2000 period, accounting for 60 percent of its total investment in capital construction.

Central-South Region

XINHUA Reports Guangxi Regional Elections

OW1501144593 Beijing XINHUA in English 1423
GMT 15 Jan 93

[Text] Nanning, January 15 (XINHUA)—Cheng Kejie was re-elected the chairman of the Guangxi Zhuang Autonomous Regional People's Government today by the Eighth Regional People's Congress.

Liu Mingzu, who is currently the deputy secretary of the Guangxi Communist Party Committee, was elected the chairman of the Standing Committee of the Eighth Regional People's Congress.

Cheng, a member of the Zhuang ethnic minority, is also a member of the 14th Central Committee of the Communist Party of China.

Elected as vice-chairmen were Yuan Zhengzhong, Li Zhenqian, Lei Yu, Xu Bingsong, Lu Bing (Zhuang minority) and Yuan Fenglan (female).

Elected deputy chairmen of the Standing Committee of the regional people's congress were Huang Baorao (Zhuang), Li Jiwu, Wei Jisong (Zhuang), Shi Zhaotang, He Bin, Du Jingyi, Zhang Dunying and Zhang Mujie (female).

The congress also elected Huang Renwen president of the regional people's court and Wei Jianeng chief procurator of the regional people's procuratorate.

Leadership 'Conflict' in Hainan Leads to Transfers

HK1801112293 Hong Kong MING PAO in Chinese 18
Jan 93 p 9

[Unattributed report: "Deng Hongxun and Liu Jianfeng Are Reportedly To Be Removed Soon From Their Posts as Hainan Provincial Party Secretary and Governor, and the Present Labor Minister Ruan Chongwu Will Become the Number One Man of the Province"]

[Text] Responding to the conflict between some provincial party committees and provincial governments, a conflict which has become an important factor hindering local development, party elder Deng Xiaoping recently issued an order saying that "in order to avoid delay," all provincial party secretaries and provincial governors who cannot get along well must be transferred. Therefore, Hainan party Secretary Deng Hongxun and Hainan Governor Liu Jianfeng will be transferred soon, and Ruan Chongwu, former public security minister and current labor minister, will serve as party secretary of Hainan, and will concurrently hold office of Hainan governor.

According to information, the mainland has promoted separation of "party and government" in recent years; however, some places have succeeded in separating the party from the government, but failed to avoid deepening the conflict between party and government departments, to the extent that the work in many localities could not be smoothly carried out. In particular, after Deng Xiaoping said that the economy must scale new heights, the conflict caused by the separation between party and government made it impossible to smoothly implement Deng Xiaoping's idea. In light of this, Deng Xiaoping recently made a "decisive" decision to tackle the problem of unresolved conflict and the lack of coordination between the party committees and governments of some provinces (including Gansu, Sichuan, Hubei, Hebei, and Hainan).

According to information, Deng Xiaoping said that "in order to avoid delay," in the troubled province, both the provincial party secretary and governor must be transferred. These ranking officials can be "transferred to posts of the same rank" or demoted.

Information has it that the decision by the central authorities to transfer Ruan Chongwu to Hainan was made after a series of mediation led to no result. The conflict between the current provincial party Secretary Deng Hongxun and the current Governor Liu Jianfeng is a matter which everyone knows in Hainan. To tackle the problem, the central authorities sent someone to mediate in March, August, and November, but to no avail. Finally, the central authorities decided to transfer Ruan Chongwu to Hainan and let him have all the party and

government power. It was also decided that Hunan Vice Governor Wang Xiao will be transferred to Hainan to serve as executive vice governor, and that Du Qingning [2629 7230 1337] will serve as executive deputy party secretary of Hainan, to help Ruan Chongwu oversee daily work. The current Hainan Governor Liu Jianfeng will serve as minister of the electronics industry, while Deng Hongxun's movement is still unknown.

This reshuffle is the fourth major change of the senior level of Hainan since it became a province. Local government officials think the reshuffle is a good thing, and believe that the measure can protect middle-level cadres and avoid a big change of middle-level cadres caused by the victory on one side. However, the people of Hainan are reluctant to see Liu Jianfeng go, while some people say they will light "firecrackers" for the transfer of Deng Hongxun.

Ruan Chongwu Appointed Secretary

HK1801155093 Beijing ZHONGGUO XINWEN SHE
in Chinese 1417 GMT 18 Jan 93

[By ZHONGGUO XINWEN SHE reporter Mo Chengxiong (5459 2052 7160) and HAINAN RIBAO reporter Lin Fengsheng (2651 7685 3932)]

[Text] Haikou, 18 Jan (ZHONGGUO XINWEN SHE)—The Hainan Provincial CPC Committee called a meeting of leading cadres at and above the vice governor level [fu sheng ji 0479 4164 4787] this afternoon. During the meeting, Zhang Quanjing, deputy head of the Organization Department of the CPC Central Committee, relayed a decision by the CPC Central Committee on a reshuffle of principal leaders of Hainan Province. Under the decision, Ruan Chongwu is appointed member, standing committee member, and secretary of the Hainan Provincial CPC Committee; Deng Hongxun is discharged from the posts of secretary, standing committee member, and member of the Hainan Party Committee; and Liu Jianfeng is discharged from the posts of deputy secretary, standing committee member, and member of the Hainan provincial Party Committee.

Ruan Chongwu, 59 years old, is a Hebei native. He studied in the Soviet Union in the fifties. Then he worked in the field of science and technology in Shenyang and Shanghai in the late fifties and early sixties. He worked with the PRC Embassy in the FRG in the late seventies and early eighties. After 1983, he successively held the posts of deputy secretary of the Shanghai municipality Party Committee, executive vice mayor of Shanghai, minister of public security, executive vice minister of the State Commission of Science and Technology, and minister of labor. He was a member of the 12th and 13th CPC Central Committees and is now a member of the 14th CPC Central Committee.

Having given the meeting participants a biographic account of Ruan Chongwu, Zhang Quanjing said: Ruan Chongwu has work experience with both local and central governments, and he did work for a while abroad. He

has experience with party affairs and with both the fields of science and technology and administration. He has held various leading positions, and has quite rich experience in leading work and rather strong ability in organization work as well.

The Central decision starts from Hainan's actual conditions, based on the need of work, he added. He required Hainan's cadres at all levels to maintain Hainan's stability and development, and to do a good job of Hainan's present work in concerted efforts.

He stated that although there are changes in major responsible persons in the province, taking economic construction as the central theme will not be changed; neither will adherence to reform and opening up, nor will Yangpu's development and various policies to maintain Hainan's steady development be changed.

At the meeting, the newly appointed Secretary Ruan Chongwu stated: Hainan has developed rapidly in the five years since it became a province, with great changes in its features, and now possesses the conditions for takeoff. He hoped that everybody would quickly push work forward. He added: Hainan's construction and development should be conducted at a high rate in a down-to-earth way, in unity and cooperation to achieve steady development, while working hard to learn from, and catch up with Guangdong to build Hainan into a prosperous and rich, new socialist special economic region.

Deng Hongxun and Liu Jianfeng stated at the meeting that they supported the Central Committee decision.

Further on Appointment

HK1901063693 Hong Kong SOUTH CHINA
MORNING POST in English 19 Jan 93 p 8

[Article by Kent Chen and Willy Wo-lap Lam]

[Text] Beijing has appointed Labour Minister Mr Ruan Chongwu as the party secretary of Hainan Province.

It is believed that at the forthcoming provincial people's congress, Mr Ruan, a member of the party Central Committee, will gain the additional position of Governor.

CCTV announced in a brief statement last night that Mr Deng Hongxun had been relieved of his position as party secretary of Hainan, and Mr Liu Jianfeng, as vice-party secretary.

Hainan sources said Mr Liu would relinquish his position as governor at the people's congress, set to convene after the Chinese New Year.

It is believed that Mr Ruan, also a former minister of public security, will head both the party and the government apparatuses for some time.

It is understood that the reshuffle was at least partly precipitated by the well-known discord between Mr Liu and Mr Deng.

Sources in Hainan said Mr Liu was close in outlook to his predecessor as governor of the island, Mr Liang Xiang, who promoted bold market reforms at the expense of the Communist Party's austere ethical standards.

Mr Liang was sacked from his position in late 1989 from his position in late 1989 and he was subjected to criminal investigations for a time.

Since his appointment to the most senior position in Hainan in mid-1990, however, Mr Deng has sought to crack down on wheeling and dealing, in the process denting the entrepreneurial enthusiasm of officials and businessmen alike.

Mr Deng also incurred the ire of local officials by bringing into the Hainan administration more than 160 mid- to high-ranking cadres from other provinces.

His critics said aside from "faction building", Mr Deng's move went against the principle of "small government, big society" that had been championed by both Mr Liu and Mr Liang.

A former vice-mayor of Shanghai, Mr Ruan is considered a moderate reformist who is more suitable than Mr Deng to push through market reforms.

The province is asking Beijing for autonomy to turn the entire island into a free trade zone, and local officials hope Mr Ruan's connections in Beijing might help with their lobbying efforts.

The latest re-shuffle represents the fourth major change of leadership since Hainan became a province in 1988.

It is believed that Mr Liu, an engineer trained in the former Soviet Union, would be appointed minister of electronics industry. Mr Liu used to be a vice-minister of the ministry.

Chinese sources said patriarch Mr Deng had recently expressed concern about the lack of harmonious working relationships between the head of party and head of government in many provinces and cities.

The sources said to ensure a smooth administration, the Organization Department of the party had allowed officials to hold concurrent positions in the party, government or the legislature.

Hainan CPC Committee Personnel Meeting Reported

HK1901104393 Haikou Hainan People's Radio Network in Mandarin 2300 GMT 18 Jan 93

[Excerpts] Yesterday [18 January] afternoon, the Hainan Provincial CPC Committee held a meeting attended by leading cadres at and above the vice provincial governor

levels to relay the CPC decision on major personnel changes in the province. The meeting called on CPC committees and governments at all levels, and the broad masses of cadres throughout the province, to keep the whole situation in mind, attach importance to unity, and observe discipline in accordance with the demand of the central authorities to profoundly study and fully implement the spirit of the 14th CPC National Congress, seize on the favorable opportunity, speed up the pace of reform and opening up, fully exploit Hainan's strong points, and concentrate our efforts to boost our economic construction.

Zhang Quanjing, deputy director of the Organization Department under the CPC Central Committee, announced the CPC decision on major personnel changes in Hainan Province. The CPC Central Committee has decided that Ruan Chongwu takes the posts of member of the Hainan Provincial CPC Committee, member of the provincial CPC Committee Standing Committee, and secretary of the provincial CPC Committee. Comrade Deng Hongxun no longer takes the posts of secretary and member of the provincial CPC Committee, and member of the provincial CPC Committee Standing Committee. Comrade Liu Jianfeng no longer takes the posts of deputy secretary and member of the provincial CPC Committee, and member of the provincial CPC Committee Standing Committee.

Comrade Zhang Quanjing added: The CPC Central Committee has made the above-mentioned decision in light of Hainan's reality and practical work needs. The aim of making such a decision is to seize on the present favorable opportunity to fully implement the spirit of the 14th CPC National Congress to develop in a better and faster way Hainan's good situation in reform, opening up, and modernization. I believe that all comrades present, and the broad masses of cadres and people in Hainan, will resolutely support the decision of the CPC Central Committee.

He continued: Marked achievements have been made over the past five years since Hainan Province was established. This has resulted from the efforts made by the provincial CPC Committee and government, including the former secretary the late Comrade Xu Shijie, and all members of leading bodies in the province in conscientiously implementing the policy decisions and instructions of the CPC Central Committee and State Council. This has been inseparable from the joint efforts made by the broad masses of cadres, party members, and people of various nationalities throughout the province. This has also been inseparable from the hard work of Comrades Deng Hongxun and Liu Jianfeng. [passage omitted]

Zhang Quanjing stressed: The CPC Central Committee believes that Comrade Ruan Chongwu is a suitable person for the post of the Secretary of Hainan Provincial CPC Committee. With the support of various leading bodies and veteran comrades in the province, Comrade

Ruan Chongwu will, on the existing basis, certainly be able to promote work in Hainan Province in a still better way.

In his speech, Zhang Quanjing raised the following demands:

1. It is necessary to use the decision of the CPC Central Committee to unify our thinking. In particular, members of the provincial CPC Committee, and leading comrades at all levels, must correctly understand the spirit of the decision of the CPC Central Committee on major personnel changes in Hainan. They must unify their thinking on the decision. [passage omitted]

2. It is absolutely necessary to maintain Hainan's stability and development. Hainan is located on the southern border of the motherland, the biggest special economic zone in our country, and a multinational region as well. Due to its special status, Hainan's stability is significant not only to speeding up its own development and construction and promoting its all-round economic growth, but also to stability of the whole country and implementation of the policy of the CPC Central Committee on opening up to the outside world. Therefore, we hope that leading cadres at all levels, party members, and people of various nationalities in Hainan will value and develop the present favorable situation. [passage indistinct] [passage omitted]

3. It is necessary for us to exert concerted efforts to do the present work well. The changeover of tenure of the provincial People's Congress, government, and the Chinese People's Political Consultative Conference [CPPCC] will take place soon. In this process of changes, those who will retire, or change, or retain their posts must fulfill their duties well and continue working hard until the last minute. They must be always ready to comply with the arrangements of the party organizations. The present situation in Hainan is favorable, but there are still many difficulties in the province. Compared with other advanced provinces, Hainan has a long way to go. It is still far from meeting the demand of the central authorities. Hainan must continue to struggle hard to make progress. It is necessary to profoundly study and fully implement the spirit of the 14th CPC National Congress, seize on the favorable opportunity, and speed up the pace of reform and opening up. [passage indistinct] [passage omitted]

Provincial Party Secretary Ruan Chongwu also spoke at the meeting. He said: The CPC Central Committee has decided to send me to Hainan to work together with you. I am very pleased to do so. I have been to Hainan twice, and I have been left with a good impression of the province. Hainan has a glorious revolutionary tradition, and people on the island, who are assiduous and hard-working, go about things in accordance with the spirit of the instructions of the CPC Central Committee and the State Council. Cadres and masses in Hainan have very strong desires and good aspirations for reform and opening up. Hainan has been developing very fast over

the past five years since the establishment of the province, and great changes have taken place in it. Conditions for economic take-off have existed. [passage omitted]

He stressed: After coming to Hainan, I hope I can work together with all of you to promote the work here rapidly. Hainan's construction and development must be carried out speedily in a down-to-earth manner. Unity, cooperation, and stable development are needed. Under the guidance of the spirit of the 14th CPC National Congress, we must make efforts to learn from and catch up with Guangdong to build Hainan into a prosperous and rich new socialist special economic zone.

At the meeting, Deng Hongxun and Liu Jianfeng stated that they supported the decision of the CPC Central Committee.

Henan Secretary on Easing Peasants' Burdens

HK1501123793 Zhengzhou Henan People's Radio Network in Mandarin 1030 GMT 11 Jan 93

[Text] At the enlarged meeting of the standing committee of the provincial CPC committee called on the morning of 9 January, provincial CPC Secretary Li Changchun pointed out: CPC committees and governments at all levels must fully understand the importance and seriousness of lightening peasants' burdens and strive to alleviate the peasants' burdens within this year. Moreover, the very solution to this problem is to develop the collective economy at the township and village levels.

In the conference room on the third floor of the provincial CPC committee building, members of the Standing Committee of the Henan CPC Committee held serious and thorough discussions about the question of really lightening peasants' burdens. Ma Zhongchen, deputy provincial CPC secretary and acting provincial governor, gave a briefing on China's current new measures for lightening peasants' burdens. Members of the provincial CPC committee made enthusiastic speeches, drawing on relevant examples they found during their personal inspections deep among the grassroots. Participating comrades held that attaching great importance to the question of lightening peasants' burdens embodies the CPC and government's concern and care for vast numbers of peasants, and that by so doing, they have found the key to current rural work.

In his final conclusion, provincial CPC Secretary Li Changchun pointed out: That peasants are shouldering too heavy burdens is a salient problem in the province's rural work, and it has directly dampened peasants' incentive to engage in production and harmed the relationship between the CPC and the masses, and between cadres and the masses. CPC committees and governments at all levels must fully understand the importance and seriousness of this question and must not turn a blind eye to it. They must strive to alleviate the province's peasants' burdens within this year. Li Changchun said: Regarding peasants' burdens, it is necessary to

distinguish the unreasonable ones from the reasonable ones. It is necessary to resolutely outlaw unreasonable apportionments, fines, and profit retentions. Comrade Li Changchun pointed out: The way to lighten peasants' excessively heavy burdens is to develop the collective economy at the township and village levels. We must consider whether or not a cadre is able to develop the collective economy as an important credit for his work performance. By developing the economy through apportioning funds, one must not have credit counted toward his work performance. Comrade Li Changchun said: It is necessary to fully affirm the work initiative of vast numbers of grassroots cadres, guide them in continuously improving their leadership ability to develop the economy and to thoroughly and correctly implement the CPC's various policies. Moreover, there is also a process for educating and upgrading vast numbers of grassroots cadres. However, it is necessary to sternly punish law-and-discipline-breaking cadres and those that seek personal gain by wielding their power. In the future, the provincial CPC committee must conduct a general inquiry into peasants' burdens every year. It must take place once every year and continue for three consecutive years. People's congresses at all levels must see to it that their supervision and examination proceed well.

Hubei Party Chief on NPC Delegates Election

HK1501080093 Wuhan Hubei People's Radio Network in Mandarin 1000 GMT 9 Jan 93

[Text] The presidium of the Sixth Session of the Seventh Provincial People's Congress held its first meeting at the Hongshan auditorium at 0900 this morning, with Vice Chairman Shi Chuan presiding over the meeting. Vice Chairman Tian Ying explained about the election of the chairman to the standing committee of the presidium and the nomination of candidates for deputy secretary general of the meeting.

The meeting elected the chairmen of the standing committee of the presidium: Huang Zhizhen, Shi Chuan, Tian Ying, Tao Shuzeng, Tang Zhe, Wang Hanzhang, Wang Zhizhuo, Wang Ruisheng, Li Haizhong, Huang Zhengxia, Liang Shufen, Wang Libin, Xiao Quantao, and Xie Peidong.

The presidium approved the agenda for its meeting and decided on Ma Shengkui, Liu Xuelun, Yue Chengu, Li Dehua, Zhou Yutao, Chen Qiren, and Zhong Hua as deputy secretaries general. It also approved a draft resolution on election methods for this meeting and the deadline for the nomination of a provincial candidate to the Eighth NPC [National People's Congress] by 10 or more people.

At the first meeting of the presidium, provincial party Secretary Guan Guangfu spoke on the list of delegates to the Eighth NPC as presented jointly by various political parties and organizations.

Guan Guangfu said: Based on the decision of the NPC, the provincial party committee conducted a prompt

study and established a formula for the election of our province's delegates to the Eighth NPC. It also set up a leading group for work related to the changeover of tenure last October. A namelist of proposed candidates was put forward following joint efforts by all levels and sides, repeated studies by the provincial party committee, and extensive discussions with all prefectures, cities, autonomous prefectures, and concerned departments under the province, and repeated consultation with various democratic parties and mass organizations over the past months. On behalf of the provincial party committee and the various democratic parties and mass organizations in the province, he asked the presidium to submit the namelist to its members for discussion.

Guan Guangfu said: The changeover of the tenure of the NPC is an important event in the political life of people of all nationalities in our country. It is also an important practical undertaking for the people of all nationalities in our country to take part in the democratic and political building of socialism with Chinese characteristics. The changeover of the tenure for the Eighth NPC is to be carried out following the successful holding of the 14th party congress and under the new situation marked by the earnest implementation of the spirit of the 14th party congress by the entire country, acceleration of the pace of reform and opening up, and the endeavor to achieve even greater victory in the socialist cause with Chinese characteristics. Doing a good job with this changeover of tenure for the NPC is of extremely important significance in implementing more satisfactorily the party's basic line, further strengthening the building of the state power, adhering and perfecting the people's congress system, and in advancing the building of socialist democratic and legal systems.

The key to a good job in the selection of NPC delegates lies in fostering democracy fully and acting strictly according to the law. He expressed confidence that the delegates will display fully the spirit of being masters of their fates and exercise the democratic rights provided by law so that this undertaking will be completed successfully.

Governor Delivers Hunan Government Work Report

HK1501052393 Changsha Hunan People's Radio Network in Mandarin 2300 GMT 10 Jan 93

[Excerpts] Yesterday morning [10 January], 841 delegates from all over the province, shouldering the great trust placed on them by the province's 60 million people, assembled at the provincial military district auditorium where they enthusiastically attended the first session of the Eighth Hunan Provincial People's Congress. Guided by Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and the spirit of the 14th CPC Congress, this meeting will mobilize people of all nationalities in the entire province to carry out resolutely the party's basic line, comprehensively implement the spirit of the enlarged plenary session of

the fifth session of the sixth provincial party committee, seize the opportunity, do a solid job, and strive for an early realization of the objective of making our province's economy one of the 10 best in the country.

Liu Fusheng, presiding chairman of the meeting and chairman of the standing committee of the presidium, presided over the opening ceremony.

[Begin Liu Fusheng recording] Delegates, the first session of the Eighth Hunan Provincial People's Congress is now in session. Please stand up. The national anthem will be played. [end recording]

The chairmen and presiding chairman of the standing committee of the presidium who were seated on the front row of the rostrum yesterday included Xiong Qingquan, Liu Fusheng, Chen Bangzhu, Sun Wensheng, Yang Zhengwu, Wang Xiaofeng, Dong Zhiwen, Shen Ruiting, Yu Haichao, Liu Yue, Zhu Dongyang, Wu Yunchang, Zhao Peiyi, and (Zhang Jizhi). Other members of the presidium were also seated at the rostrum. Meanwhile, Liu Zheng, Pang Weiqiang, Xia Zanzhong, Li Tiangeng, Luo Quiyue, Xie Xinying, Cao Wenju, Chen Binfa, Tong Ying, Xu Junhu, Yuan Longping, Zhang Deren, Zhuo Kangning, Deng Youzhi, Long Yuxian, Han Ming, Yang Zhongshu, (Zhang Fenchu), (Xu Zhenying), (Wu Changxiao), and other leading comrades were also invited to sit on the rostrum.

Zhou Lin, (Sun Guozhi), (Guo Fen), (Wu Zhiyan), (Wang Zhiguo), (Zhao Chuju), (Xu Jinshan), (Yin Zhimin), (Xu Tianguai), (Xu Shouliang), (Huang Hanfu), (Shi Bangzhi), and other elderly comrades were also invited to sit on the rostrum.

Amid enthusiastic applause, Chen Bangzhu delivered the government work report on behalf of the provincial government. [passage omitted]

After Comrade Chen Bangzhu delivered his work report, (Wang Xueyi), chairman of the provincial planning commission, and (Zhang Ruifu), director of the provincial finance department, delivered reports on the proposed readjustments to Hunan Province's 10-Year National Economic and Social Development Plan and Eighth Five-Year Plan, the implementation of the plans in 1992, and the proposed drafts for 1993, as well as a summary of the implementation of 1992's financial budget and preliminary arrangements for 1993's financial budget, respectively.

Also present at the opening ceremony yesterday were all members of the first session of the seventh provincial Chinese People's Political Consultative Conference; members of the standing committee of the seventh provincial people's congress; members of the provincial people's government; persons in charge of the provincial higher people's court and the provincial people's procuratorate; persons in charge of concerned units directly under the provincial jurisdiction and of people's congresses, women's federations, and trade unions from the

localities; and persons in charge of the standing committees of people's congresses from cities, counties, and prefectures.

Chen Bangzhu, Liu Fusheng Reelected in Hunan

OW1501135493 Beijing XINHUA in English 1332
GMT 15 Jan 93

[Text] Changsha, January 15 (XINHUA)—Chen Bangzhu and Liu Fusheng were reelected, respectively, as the governor of south China's Hunan Province and chairman of the Standing Committee of Hunan Provincial People's Congress (PPC) today.

They were both elected at the first session of the Eighth Hunan Provincial People's Congress.

Chen Bangzhu, member of the 14th Central Committee of the Communist Party of China, was originally elected governor of Hunan Province at the Second Plenary Session of the Seventh Hunan Provincial People's Congress on May 15, 1989.

Vice Governors Elected

OW1801211393 Beijing XINHUA Domestic Service in Chinese 0215 GMT 17 Jan 93

[Text] Changsha, 17 Jan (XINHUA)—The First Session of the Eighth Hunan Provincial People's Congress yesterday elected Chu Bo, Wang Keying, Zheng Peimin [6774 1014 3046], Zhou Bohua [0719 0130 5478], Zhou Shichang [0719 2514 2490], Tang Zhixiang [0781 0037 0078], and Pan Guiyu [3382 6311 3768, female] vice governors of Hunan.

Southwest Region

Guizhou Congress Committee Head Addresses Issues

HK1801135693 Guiyang Guizhou People's Radio Network in Mandarin 2300 GMT 13 Jan 93

[Interview with Liu Zhengwei, chairman of the Guizhou Provincial People's Congress Standing Committee, by unidentified reporter; place and date not given—recorded]

[Text] [Reporter] Secretary Liu, how do you do?

[Liu] How do you do?

[Reporter] I am a reporter from the Guizhou Provincial People's Broadcasting Station. I congratulate you on being elected chairman of the provincial People's Congress Standing Committee.

[Liu] Thank you.

[Reporter] You are a key responsible person of the Guizhou Provincial CPC Committee. Now you have concurrently become the highest responsible person of Guizhou's organ of state power. After assuming your

new post, how will you exercise the power bestowed on you by the party and the people?

[Liu] People elected me chairman of the provincial People's Congress Standing Committee. This shows the trust, encouragement, support, and expectations of me by participating fellow people's deputies and Guizhou people. I profoundly realize that I am shouldering a heavier responsibility and a more arduous task. However, at my present post, I am able to link implementing the party line, the guiding principles and policies, with allowing the organ of state power to play its role, actively exploiting the strong points of people of various nationalities and meeting their demands in a more satisfactory and effective way in the interest of accelerating the pace of reform, opening up, and socialist modernizations in our province. I will certainly live up to the expectations of all people's deputies and be worthy of their trust. I will learn from the experiences of the People's Congress of the previous tenure. I shall persist in proceeding according to law. I will uphold democratic centralism and the mass line. I shall persist in conducting investigations and studies. I shall redouble my efforts to work harder. In a word, I shall spare no efforts in the performance of my duty to invigorate Guizhou.

[Reporter] After assuming your new post in the provincial People's Congress, how will the provincial People's Congress Standing Committee make a new plan aimed at promoting the development of democracy and a legal system?

[Liu] According to my initial view, the foremost task of the provincial People's Congress Standing Committee is to continue to strengthen the development of democracy and the legal system closely around the party basic line. In accordance with the magnificent target of the 14th CPC National Congress of establishing the socialist market economy, we will strengthen the enactment of the socialist economic laws and regulations. In other words, it is necessary to fully exercise the power of the provincial People's Congress and its Standing Committee in terms of legislation to strengthen economic legislation to effectively give play to the guaranteeing, supervising, and promoting role of the local state power in our province's reform, opening up, and economic construction. Thank you.

Guizhou Congress Elects Governor, Vice Governors

OW1801222793 Beijing XINHUA Domestic Service
in Chinese 0356 GMT 16 Jan 93

[By reporter Chen Yunzhen (7115 0061 3791)]

[Text] Guiyang, 16 Jan (XINHUA)—The First Session of the Eighth Guizhou Provincial People's Congress, which was held recently, elected Chen Shineng [7115 1102 5174] governor of Guizhou; and Zhang Yuqin (female), Zhang Shukui, Yao Jiyuan [1202 4949 0337], Yuan Ronggui [5913 2837 6311], and Gong Xianrong vice governors.

Sichuan's Chongqing Utilizes Foreign Funds

OW1601060493 Beijing XINHUA in English 0521
GMT 16 Jan 93

[Text] Chongqing, January 16 (XINHUA)—Chongqing, a major economic center in southwest China's Sichuan Province, approved 488 overseas-funded projects last year with the contractual overseas capital reaching 522 million U.S. dollars.

A city government official said that the overseas-funded projects approved in 1992 were more than double the number of the total approved in the preceding 13 years.

He said that among the overseas-funded projects ratified last year, those with investments above five million U.S. dollars each reached 45, while five project's investment surpassed 10 million U.S. dollars each.

The official said that in recent years some trans-national companies from Japan, the United States and Britain, as well as companies from Hong Kong and East European countries have shown an interest in Chongqing, as the local investment environment has improved.

The city government has put extra efforts into the construction of energy, telecommunications and transportation projects in the past few years and issued special regulations to encourage foreign investment.

The success of the city, which is located in the middle reaches of the Yangtze River, reflects the fruitful drive of the river valley in opening to the outside world as well as its economic uplift, the official said.

Tibet Increases Allocations To Improve Markets

OW1601033993 Beijing XINHUA in English
0304 GMT 16 Jan 93

[Text] Lhasa, January 16 (XINHUA)—The Tibet autonomous regional government has decided to allocate 2 million yuan annually for the construction of markets to meet the increasing needs of the local people.

According to the regional government, Tibet already has established 134 markets of various kinds throughout the autonomous region. Government officials at all levels in the region have listed the construction of markets in the development program for urban and rural construction.

A multi-functional market system is gradually being established in Tibet. The system includes markets for agricultural and side-line products, industrial products, labor, technology, information and real estate.

Officials in Tibet said that the construction of markets has increased the combined business volume of all markets in the region to 739 million yuan.

All units in Tibet have been encouraged to establish markets with their own funds to speed up the pace of economic reform.

Tibet Builds New Geothermal Power Station*OW1601024093 Beijing XINHUA in English
0157 GMT 16 Jan 93*

[Text] Lhasa, January 16 (XINHUA)—The Yangbajain geothermal field 4,300 meters above sea level in the Tibet Autonomous Region, the largest of its kind in China and the eleventh largest in the world, has built a power generating capacity of 25,000 kw [kilowatts].

Two other geothermal fields, Nagqu and Lungjug, also located in Tibet, are also operating with success.

At present, the development of geothermal energy is only one part of the energy production program in Tibet.

The region has constructed 435 hydro-power stations, with a total capacity of 115,000 kw. It has also built four thermal power stations. It now has 441 power stations of all kinds, which produced 370 million kwh [kilowatt-hours] of electricity last year.

The successful development of energy resources promotes local economic growth and facilitates people's life.

According to a geological investigation, Tibet has the largest potential hydro-power resources in China, which are expected to amount to some 200 million kw, of which 56.6 million is explorable.

Geothermal energy sources have been spotted in more than 600 areas in Tibet.

Tibet Experiences Earthquake; No Damage Reported*OW1901124193 Beijing XINHUA in English
1230 GMT 19 Jan 93*

[Text] Beijing, January 19 (XINHUA)—The Damxung County near Lhasa in the Tibet Autonomous Region was hit by an earthquake measuring 6.3 on the Richter scale on Monday [18 January] evening. So far there have been no reports of casualties.

A team of technicians has been sent to the area by the region's bureau of seismology.

According to the country's network of seismic stations, the earthquake took place at 20:42 hours (Beijing time) in Damxung, which is located at 31.1 degrees latitude north and 90.6 longitude east.

The quake was felt in Lhasa, capital of the autonomous region, but no damage or casualties were reported.

Yunnan Province Appoints New Vice Governor*HK1901004093 Beijing ZHONGGUO XINWEN SHE
in English 1524 GMT 18 Jan 93*

[Text] Kunming, January 18 (CNS)—Mr Li Jiating was recently appointed Vice Governor of Yunnan Province at the 28th session of the Standing Committee of the 7th Provisional People's Congress.

Mr Li, a member of the Yi nationality, comes from Shiping County of the province. He graduated from Qinghua University and was deputy secretary of the Harbin municipal party committee, and mayor of Harbin in Heilongjiang Province. He was also assistant to the governor of the Heilongjiang Province. He is now an alternate member of the 14th Central Committee of the Communist Party of China.

North Region**Li Ximing's Beijing CPC Congress Report***SK0801094593 Beijing BEIJING RIBAO in Chinese 21
Dec 92 pp 1-4*

[Report by Li Ximing, secretary of the Beijing Municipal CPC Committee, given at the seventh Beijing Municipal CPC Congress on 13 December: "Unswervingly Implement the Party's Basic Line and Win a New Victory in the Socialist Modernization of the Capital"]

[Text] Comrades:

I will give a report to this congress on behalf of the Sixth Beijing Municipal CPC Committee.

This congress is held soon after the successful conclusion of the 14th National CPC Congress. The 14th CPC Congress was an extremely important meeting in the history of our party. Comrade Jiang Zemin's report summarized China's basic practice in reform, opening up, and socialist modernization; expounded the major content of the theory of building socialism with Chinese characteristics; set forth the reform target of establishing the socialist market economy system; and drew up the strategic tasks of the entire party and people throughout the country for some time to come. It embodied the party's basic line consisting of "one central task and two basic points" and the guidelines of Comrade Deng Xiaoping's important speeches given during his south China inspection, and it was the program guiding the action of the entire party and people throughout the country in marching toward the 21st century. The 14th CPC Congress elected the new central leading organ. It was a united and successful congress for carrying forward the revolutionary cause and forging ahead into the future, and it was a new milestone in the process of China's socialist modernization.

The tasks of the seventh Beijing Municipal CPC Congress are to conscientiously study and implement the guidelines of the 14th National CPC Congress, summarize the practice and experiences in implementing the party's basic line in the past five years, elect the new leading organ of the municipal party committee, unify the understanding of the vast number of party members and the masses of the municipality in line with Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, further emancipate the mind, uplift

the spirit, seize the opportunity to accelerate reform and opening up, and push the capital's socialist modernization up to a new level.

1. The Five Years for Comprehensive and Conscientious Implementation of the Party's Basic Line

The five years since 1987 when the sixth Beijing Municipal CPC Congress was held were an unusual period. Thanks to the correct leadership and direct concern of the party Central Committee in these five years, party organizations at all levels throughout the municipality led the vast number of party members and the people of various nationalities to unswervingly implement the party's basic line and a series of principles and policies, emancipate the mind, work hard together, successfully accomplish the municipality's Seventh Five-Year Plan for Economic and Social Development, fulfill ahead of schedule the first-step strategic objective of doubling the gross domestic product, and promote the causes of reform, opening up, and socialist modernization.

The municipality's overall economic strength was notably enhanced. Its 1992 gross domestic product was expected at 70 billion yuan, and per capita gross domestic product 6,710 yuan, up 50.6 and 41.2 percent, respectively, from 1987 in terms of comparable prices.

Tremendous changes took shape in urban and rural outlook. In the past five years, the investment in fixed assets increased by nearly 100 percent; a large number of road transportation, postal and telecommunications, water, electricity, gas, and heat supply, and other infrastructural facilities were built; and 54.7 million square meters of houses were completed, equivalent to two and a half times the size of Beijing city in the early post-liberation period. Beijing became notably greener and more beautiful, and its ecological environment was improved.

Education, science and technology, and culture developed vigorously. The strategic position of education was further strengthened; science and technology, as the primary productive forces, played an increasingly prominent role; and culture, public health, sports, and other social undertakings took on a new look.

The living standard in urban and rural areas was greatly improved. Urban people's incomes may reach 2,340 yuan per capita in 1992, and peasants' income 1,530 yuan per capita. Urban people's savings deposits were predicted to be 37.8 billion yuan, up 3.1 times from 1987.

The municipality was completely successful in holding the 11th Asian Sports Games. With the support of the people throughout the country, we built a large number of new stadiums, gymnasiums, and facilities for the games. All of them are at the first-grade world standard. The spirit displayed in the Beijing Asian Sports Games with regard to "cherishing China, winning glory for the country, making contributions selflessly, fostering unity and coordination, waging struggles tenaciously, and

striving to get first-grade scores" has become the powerful motivation for promoting the construction of the two civilizations in the capital.

The unified and stable political situation has been further consolidated and developed. The construction of socialist spiritual civilization has been continuously enhanced in the course of exploration; socialist democracy and legal systems have made new progress. The capital's political situation was stable, and its society was peaceful.

In building the socialist modernization, over the past five years the municipality has achieved continuous development in the economy and brought great changes to the outlook of both urban and rural areas. It has also continuously improved the people's livelihood and achieved overall development in reform, opening up, and modernization. In reviewing the basic practice and experience of the past five years, we can say in a nutshell that our work is to unswervingly implement the party's basic line of "one center and two basic points" and to resolutely follow the road of building socialism with the Chinese characteristics.

A. We persistently regarded economic construction as a center and promoted the building of modernizations in the capital.

The key to upholding the party's basic line lies in persistently regarding the economic construction as a center. To this end, the municipal party committee has grasped the following several links over the past few years:

First, the municipality has upheld the ideological line of emancipating minds and seeking truth from facts so that it has oriented the thinking of party members and the broad masses of cadres and people across the municipality onto the track of concentrating efforts on successfully conducting economic construction. Rural areas carried out the mass discussion of "studying the basic line and of striving to become better off in order to be wealthy." The industrial front carried out the mass discussion of "striving to overcome technical difficulties." In coping with various situations cropping up after the successful sponsorship of the Asian Sports Games, such as being slack in work and not sufficiently emancipating minds in practical work, the municipality put forward the demands of "emancipating minds and vigorously pioneering the road of advance to have the work in various fields become much better." Various fronts generally summarized their experience, discovered their weaknesses, and formulated the measures of dealing with their problems. All of these have promoted undertakings in various fields. Particularly since the beginning of this year, districts, counties, fronts, and departments throughout the municipality have earnestly studied the spirit of the important speeches given by Comrade Deng Xiaoping during his inspection tours in the south and the spirit of the plenum of the CPC Central Committee's Political Bureau. The broad masses of party member,

cadres, and people have further emancipated their minds; broadened their ideas; further deepened their understanding of economic construction as a center; and have enhanced their sense of emergency and responsibility in deepening the reform, broadening the opening up, and improving the economy to a new level.

Second, the municipality made the policy decision regarding the important issues of the whole situation in the capital's economic development in a timely manner. In early 1988, in line with the central strategic arrangements for developing coastal areas, and by proceeding from the Beijing's reality, the municipal party committee put forward the principle of developing a guided and planned export-oriented economy. It defined the main orientation and focal points in this regard and studied and formulated the overall plan and targets as well as preferential policies. After issuing the principle adopted at the Third Plenary Session of the 13th CPC Central Committee with regard to improving the economic environment, rectifying economic order, and deepening the reform in an overall way, the municipal party committee earnestly analyzed the municipal economic situation; put forward the demand of integrating the stability and reform with development; and made arrangements for deepening the reform in the course of improving the environment and for developing the economy in the course of rectifying economic order. In line with the difficulties encountered by the state-run large and medium-sized enterprises in the course of development, the municipality organized the specialized forces to carry out overall investigations of the production situation of large and medium-sized enterprises across the municipality. By earnestly summarizing the persistent reform conducted by the Capital Iron and Steel Company over the past 12 years, the municipality fostered the socialist state-run enterprise mechanism with Chinese characteristics and created a successful experience that can surpass the capitalist effects and benefits. After comprehensively fulfilling the Seventh Five-Year Plan, the municipal party committee, based on the arrangements of the central authorities, studied and put forward the proposals on Beijing Municipality's 10-Year Program and Eighth Five-Year Plan for Economic and Social Development in 1991 in a timely manner. After the central authorities made arrangements for improving large and medium-sized state enterprises, the municipal party committee held a work conference to put forward a series of specific policies aimed at transforming the operating mechanism of large and medium-sized state enterprises and decided to learn from and disseminate the experiences of the Shoudu Iron and Steel Complex throughout the municipality. To implement the guidelines of the eighth plenary session of the 13th party Central Committee, the municipal party committee put forward opinions on strengthening agriculture and rural work; calling for efforts to further restructure rural production; conscientiously carry out the projects to make mountainous areas prosperous; take the road to

high yields, good quality, and high efficiency; and accelerate agricultural modernization while keeping the various basic rural policies stable. Based on the guidelines of Comrade Deng Xiaoping's important speeches given during his south China inspection and the guidelines of the plenary session of the Political Bureau of the party Central Committee, the municipal party committee this year drew up the opinions on accelerating reform and opening up, striving to attain the major targets of the 10-year program three years ahead of schedule, and improving the economy of the capital to a new level. As has been proven in practice, these policies conform to the central guidelines and Beijing's specific conditions and are correct.

Third, in economic work, we gave prominence to the focus of adjusting the structure and improving efficiency. In the past few years, we attached importance to proceeding from the overall situation of economic development, considered it an important task to restructure the economy and optimize the organization of the essential elements of production, and strived to shift our work focus to improving economic efficiency. By developing agriculture with science and technology and restructuring production, suburban and rural areas raised their modernization level and expanded a number of specialized and commercialized production bases to a considerable scale. In industry, we focused on the technical transformation of enterprises and the adjustment of product mix to enable the production compatible with the characteristics of the capital to develop further. The tertiary industry developed fairly rapidly thanks to the persistent efforts of the state, the collective, and the individual. The 1992 increased value of the tertiary industry was expected to account for 44.2 percent of the gross domestic product, being the highest in the country. We persisted in opening our door wide, enlivened circulation, "purchased and sold the goods from all over the country, and encouraged people from all over the country to build Beijing and sell goods in Beijing." The markets of the capital were thriving, and its retail commodity sales continued to grow at a double-digit rate.

Fourth, we made persistent efforts to achieve success in the two basic links: developing science, technology, and education and building urban infrastructural facilities. To enhance the capacity for sustained economic development, improve the investment climate, and upgrade the quality of the entire economy, the municipality always placed the development of science, technology, and education and the construction of infrastructural facilities in a strategic position and made conscientious efforts to achieve success in them.

We adhered to the principle of relying on science, technology, and education in developing economic construction and gearing science, technology, and education to the needs of economic construction and adopted every means to raise funds from various channels to increase the investment in science, technology, and education. We adhered to the system of making party and government leading cadres establish ties with schools and carry

out practical work for education. We improved teaching conditions, restructured education, and enabled elementary education, secondary education, vocational and technical education, higher education, and adult education to develop in a coordinated manner. Since 1987, the municipality scored more than 22,000 scientific and technological achievements, established a number of scientific and technological development organs, developed various forms of associations linking scientific research units with production units, accelerated the transformation of scientific and technological achievements, and facilitated the shift of the scientific and technological work focus to the major battlefield of economic construction. After several years of development, the Beijing Municipal New-Tech Industrial Development Experimental Zone, which was approved by the State Council in 1988, has become a conglomeration of high- and new-tech enterprises engaged in various branches of learning. It has played a leading and promoting role in expediting the transformation of high and new technology.

Over the past few years, in urban construction we put the construction of basic facilities in first place and concentrated our funds and efforts on building a large number of key projects. The whole second ring expressway was open to traffic, thus smoothly fulfilling the strategy of "making an opening between the areas outside the city proper and alleviating the traffic of the city proper." The gas supply and the centralized heating system continued to grow in urban areas. Communications and the water supply improved. The contradiction that the building of infrastructure lagged behind the development of urban areas was alleviated to some extent.

B. We persisted in reform and opening up, and liberated and developed productive forces.

During the past five years, we always regarded reform and opening up as a strong motivation to promote the modernization of the capital. On the basis of carrying out various forms of the output-related contract responsibility system and rapidly developing township and town enterprises, the suburban and rural areas in the capital seized opportunities to gradually popularize the professional contract and appropriate-scale farming on the plains in line with the development of productive forces and with the aspirations of peasants. Such a major reform raised the level of intensive farming and labor productivity; effectively guaranteed sustained increase in grain output; and enriched the supply of vegetables, milk, eggs, meat, fish, and fruit. At the same time, the suburban and rural areas reformed the agricultural and sideline products purchasing and marketing system; gradually expanded the proportion of the products subject to market regulation; and found a new way of specialization, commercialization, and modernization suitable for the characteristics of the development of the suburban and rural areas.

On the basis of expanding autonomy and shifting from profit delivery to tax delivery in two steps, the state-owned large and medium-sized enterprises in 1986 took the lead in carrying out the contracted management responsibility system known as "ensuring the delivery of revenues to the state, ensuring technological transformation and added value of assets, and linking the total payroll of enterprises with their economic performance." These enterprises also carried out experiments for the shareholding system. Over the past few years, with the aim of changing the operational mechanism, these enterprises carried out various forms of reform and enthusiastically explored ways of establishing enterprise integration embracing different regions, different trades, and different ownership systems. These enterprises also developed enterprise groups with the superior products and superior enterprises as the heads. As a result, these enterprises made a step towards the orientation of becoming commodity manufacturers and dealers with full management authority, full responsibility for their own profits and losses, and authority to develop and regulate themselves.

In fact, the reform in the circulation sphere began in 1983 in the commercial retail sector. The contract management responsibility system was not carried out and consolidated in the circulation sphere until three downs and four ups were experienced. In 1991 four major commercial enterprise groups were organized. This year, retail commercial enterprises lifted restrictions on management, prices, employment, and distribution, and reformed the wholesale system and the commodity and materials storage system, thus witnessing a favorable turn from the situation of wholesale enterprises having difficulties in management. Grain departments carried out the reform of equal prices for the grain purchased and marketed. New progress was made in the reform of the system of supply and marketing cooperatives. Foreign trade departments carried out such reforms as conducting contract management, assuming responsibility for one's own profits and losses, and carrying out the commission system. Where possible, enterprises were given the autonomy to deal in foreign trade, thus helping combine foreign trade with industry, with agriculture, with commerce, and with technology.

The municipality developed lateral economic and technological cooperation with various provinces, municipalities, and autonomous regions through diverse channels, at diverse levels, and through diverse forms. The municipality established more than 100 bases of raw materials and means of livelihood in 22 provinces, municipalities, and autonomous regions; initiated a number of integrated enterprises and scientific and technological integrations; and imported a large amount of famous, quality, special, and new products, thus playing an important role in supporting production and making markets brisk.

Scientific research institutes carried out the scientific research responsibility system, the technology contract system, and the fixed-quota expenses system. Beginning

in 1987, these institutes universally carried out the scientific and technological contract management responsibility system, with the "three guarantees and one linking up" as the main content, thus accelerating the development of scientific and technological markets and the commercialization of scientific and technological achievements.

In education, we reformed the administrative systems, the internal systems of schools, and the educational structure and delegated to lower levels the power to manage elementary education, thus boosting the initiative of districts, counties, towns, and townships in developing schools. Primary and middle schools conducted reform of their internal administrative systems focusing on the principal responsibility system, the teaching and administrative personnel employment system, the fixed total wage system, and the position wage system. Reform of the internal administrative systems of institutes of higher learning, secondary specialized schools, skilled workers' schools, and adult schools was gradually expanded and developed to become an in-depth overall reform aimed at improving the quality of education. The proportion between vocational and technical education and ordinary middle school education became by and large rational, and the institutes of higher learning of the municipality began to adjust their layout and structure of disciplines. Meanwhile, we explored new ways to collect funds from various channels for developing schools and made sure that the principle of developing education on a priority basis was implemented.

Departments charged with overall economic management delegated some administrative power to lower levels step by step, expanded the scope of market regulation, cultivated and developed the markets for means of production and essential elements of production, reformed the irrational price system, and promoted and optimized the organization of labor and the labor contract system. Districts and counties achieved new progress in reforming the financial system and strengthened macro management and administration according to law.

After several years of experiments in selected units, we created numerous forms of housing reform aiming at solving people's housing problems, accelerating the renovation of shabby houses, and commercializing houses and gradually popularized these forms throughout the municipality. Exploration was conducted actively on the reform of medical and social security systems.

While deepening reform, we created a new situation in opening to the outside world. The municipality further clarified its overall arrangements for opening to the outside world, notably improved its investment climate, and continuously expanded its imports of foreign capital, technology, personnel, and managerial expertise. The number of the three types of foreign-funded enterprises we approved and the volume of foreign capital we used grew substantially in the last five years. By the end of November 1992, the three types of foreign-funded

enterprises had increased to 3,410 in the municipality, and the foreign capital agreed upon had reached \$3.6 billion. Exports increased continuously. Exported goods were diversified, and the proportion of finely processed goods and goods with high added value in the export commodities rose. Contracts for construction projects abroad and labor service cooperation were expanded continuously, and a number of enterprises were established overseas. We developed economic, scientific and technological, and cultural exchanges and cooperation with some international organizations and institutions and established friendly relations with the capitals and large cities of some countries.

Opening to the outside world helped promote the rapid development of tourism. Exploitation of tourist resources, construction of tourist facilities, and production and marketing of tourist commodities were improved to a fairly large extent. Overseas tourists may reach 1.7 million in 1992, and foreign exchange income from tourism \$1 billion, up 57 and 82 percent respectively from 1987.

C. We upheld the four cardinal principles and ensured the healthy development of reform, opening up, and economic construction.

In our guiding thoughts and practical work in the past few years, we always emphasized the need to straighten out the relationship between economic construction, reform, and opening up on the one side and adherence to the four cardinal principles on the other. The endeavor of reform and opening up and adherence to the four cardinal principles constitute a unified whole. In the process of deepening reform and promoting the capital's economic construction, we conducted education on the party's basic line; upheld the four cardinal principles with a clear-cut stand; eliminated the interference of the ideological trend of bourgeois liberalization; and ensured the healthy and smooth development of reform, opening up, and economic construction. Particularly in facing the serious turmoil and counterrevolutionary rebellion during spring and summer of 1989, the municipal party committee resolutely implemented the correct policy decision made by the CPC Central Committee, the State Council, and the Central Military Commission. With the support of the people throughout the municipality, it led the party organizations at all levels and the broad masses of party members in rapidly stabilizing the capital's situation; resolutely safeguarding the socialist state political power; and safeguarding the people's fundamental interest by vigorously coordinating with the People's Liberation Army [PLA] units that were executing the martial law and by working hard. Then the municipality conducted socialist ideological education among the broad masses of party members, cadres, and people according to the central guideline and by coping with both domestic and international situations. It also reinforced the people's belief in implementing the party's basic line and following the socialist road with Chinese characteristics.

Over the past five years, we have enhanced the work on the ideological and theoretical fronts by persistently regarding Marxism-Leninism-Mao Zedong Thought as guidance. We have organized or led the broad masses of theoretical workers and practical workers to firmly grasp the theories of building socialism with Chinese characteristics; and to carry out theoretical study, education, and publicization in line with the new situation in the capital's programs of reform, opening up, and economic construction. We have also continuously overcome the "leftist" and rightist interference and the ideological fetters of traditional concepts and the ideas about sticking to old ways; clarified the theoretical right and wrong confused by bourgeois liberalization; and contributed to the programs of reform, opening up, and economic construction. At the conference of representatives sponsored by the municipal social science society in 1990, the municipality systematically analyzed the situation on the ideological and theoretical front and put forward the tasks and measures for enhancing theoretical work. All of these have played a role in helping promote the capital's social science undertakings, enlivening the theoretical studies, and improving the quality of theoretical personnel's contingent.

The departments of journalism, publication, and radio and television broadcasting publicized the party's basic line by upholding the principle of regarding positive education as a main task, achieving unity and stability, and bringing their drive into play. By giving priority to the center of economic construction, they aroused or encouraged the enthusiasm of the people of various nationalities throughout the municipality to plunge into the programs of modernization, reform, and opening up. The cultural and artistic front upheld the direction of "serving the people and socialism" and the principle of "letting a hundred flowers blossom and a hundred schools of thought contend." The broad masses of literary and art workers went deep into the forefront of reform, opening up, and modernization as well as created and presented a large number of outstanding literary and art works. Meanwhile, the cultural and artistic front deeply conducted education on patriotism, collectivism, and socialism among the vast number of people and particularly among juveniles by making full use of the capital's rich historical and revolutionary relics to develop the fine traditional culture of the Chinese nation, resulting in good social benefits.

In line with the spirit of Deng Xiaoping's directive on "concentrating one's attention on grasping the party building," the municipal party committee and party organizations at all levels earnestly grasped the work of party building. To change the trend of weakening the party building, the municipal party committee organized the municipal specialized forces to carry out deep and systematic investigation and study the party building work among party organizations across the municipality. Based on this investigation and study, the municipality convened the seventh plenary session of the sixth municipal party committee and adopted a decision on

enhancing party building and ideological and political work. Thus, it strengthened the self-improvement of the party and the party's work related to the masses. In line with the central arrangements, the municipality re-registered party members among the units at or above the township level in suburban districts and rural areas. It also carried out an overall check of the leading bodies at all levels and reinforced or readjusted them. A large number of advanced party organizations and outstanding Communist Party members emerged in the capital's practice of conducting reforms, opening to the outside world, and carrying out economic construction.

We achieved fairly good results in improving party style and maintaining honesty in administration. This was especially so after the central authorities' decided on strengthening the party-populace ties; party organizations at all levels further raised their awareness in struggling against corruption within the party; investigated and handled cases on embezzlement and bribetaking; corrected the malpractice in some trades; and dealt with leading cadres who built private houses in violation of law and discipline, who used public funds to repair and decorate houses beyond the set standards, and who abused power to occupy more houses. In this way, the authorities established closer ties with the masses and improved the party's prestige among the masses. Improvement in the party's ideology, organization, and work styles helped ensure the implementation of the party's line, principles, and policies.

D. We made persistent efforts to safeguard the stability of the capital and consolidated and developed the stable and united political situation.

To unswervingly implement the party's basic line, we should consolidate and develop a stable and united political situation. Experiences gained since the initiation of reform and opening up proved that without political stability, society would become turbulent and agitated, and reform, opening up, and economic construction would fall flat. In the past few years, we dealt resolute blows to the very small number of hostile elements who opposed the four cardinal principles, persisted in bourgeois liberalization, and even created turmoil. We not only stepped up efforts to replenish the contingents of public security, judicial personnel, and armed policemen but also strengthened the functions of the organs of dictatorship. We mobilized and organized forces from all quarters of society to regulate the relations of various sectors in terms of interests and to correctly handle the contradictions within the masses. Thanks to the efforts of the organs of dictatorship, the efforts to follow the mass line, and the efforts to "deal strict blows" to and prevent crimes, public security witnessed comprehensive improvement. We waged struggles against "pornography" and the "six vices" and dealt blows to serious criminal and economic offenses according to law. We improved markets and transportation, strengthened public security work, and defended the good order in the production, work, and people's life of the capital.

Conscientiously strengthening socialist democracy and the legal system is the basic principle to develop the stable and united political situation of the capital and to create a good social environment for reform and opening up. In the past few years, party organizations at all levels throughout the municipality performed a great amount of fruitful work to strengthen democracy and the legal system. We attached importance to implementing the party's propositions through the organs of state power, improved the people's congress system continuously, and let people's congresses or their standing committees decide through discussions the issues that should be submitted to them for discussion according to law. We further improved the system of multi-party cooperation and political consultation under the Communist Party leadership; adhered to the principle of "long-term coexistence, mutual supervision, treating each other with all sincerity, and sharing each others' weal and woe"; and strived to conduct consultation before making decisions and to exercise supervision in the entire process of implementing decisions. In the past five years, the municipal party committee held more than 40 meetings to discuss major issues with personages outside the party, appointed more than 30 personages outside the party to the leading posts at and above the bureau chief level, handled a large number of motions, and gave further play to the role of the Chinese People's Political Consultative Conference [CPPCC] and democratic parties. We strengthened the work related to nationalities, religion, Overseas Chinese, and Taiwan and expanded the patriotic united front. We extensively paid heed to people's criticisms and suggestions through various channels and subjected party work and government activities to the supervision of the masses, thus better understanding the need and the responsibilities of participating in and discussing affairs of government and state. Meanwhile, we formulated a number of local laws and administrative regulations; managed the municipality according to law; publicized a number of advanced examples in the management according to law of districts, counties, plants, and villages; and improved the socialist legal system in the capital.

Practice during five years showed that when we unswervingly implemented the party's basic line, our undertakings would develop, succeed, and become full with vitality, and that we would always be in an invincible position.

The achievements and progress made by Beijing Municipality resulted from the correct leadership and direct concern of the party Central Committee and the State Council, the great support of the central departments and the People's Liberation Army [PLA] units and the people's armed police forces stationed in Beijing, and the concerted efforts made by the party organizations at various levels, the broad masses of party members, and the people of all nationalities in the municipality. On behalf of the municipal party committee and all people of the municipality, now I am going to extend heartfelt thanks to the central party and government organs, the

PLA units stationed in Beijing, brotherly provinces, municipalities, and autonomous regions, and personages at home and abroad who have contributed to the construction of the capital.

Although we have made great achievements in various spheres in the past five years, we should clearly see that we are still confronted with many difficulties and problems, we still have some shortcomings in our work, and some things do not go as we expected. The failure to thoroughly study or deeply understand the theory on building socialism with Chinese characteristics, to fully estimate or understand the "leftist" influence, to emancipate the mind, and to widen the way of thinking brought about obstacles to boldly continuing to forge ahead in some aspects. The management system, the style of leadership, the method of thinking, and the work method did not suit the demands of setting up the socialist market economic system. The tasks for structural reform are still arduous. Problems of unreasonable structures and low efficiency still prominently exist. The capital failed to bring the functions of its existing science and technology and skilled personnel into full play. The rate of turning scientific and technological findings into commodities was still low. Thus, we still have to vigorously strengthen party building. There are some weak links in the improvement of spiritual civilization and the setting up of the legal system. As all this does not suit the development of the situation, we should make conscientious efforts and strive to solve these problems in the near future.

2. We Should Concentrate Energy on Economic Construction and Speed Up Modernization of the Capital

With the symbol of Comrade Deng Xiaoping's important talks during his tour of south China, our country has entered a new stage of socialist modernization. In the new development stage, we should increase efforts in persisting in the theory of socialism with Chinese characteristics, comprehensively implement the basic line of "one center and two basic points," grasp favorable opportunities, concentrate energy on promoting economic construction, and speed up the development of various undertakings.

The fighting goals of the capital in the 1990's are as follows: The gross domestic product should annually increase by 9 percent on average and should quadruple the figure of 1980 three years ahead of schedule. We should further improve the material and cultural life of the people and attain the target of becoming fairly well-off ahead of schedule. By the end of this century, we should preliminarily set up a system and an operational mechanism suitable to the socialist market economy; possess an economy catering to the whole country, stepping toward the world, and conforming to the characteristics of the capital; form modernized urban and rural construction facilities for the whole country, international contacts, and people in the capital; create a clean, beautiful, and ecologically perfect environment

with first-class science and technology, education, culture, and morality; and become a modern, multi-faceted, international city opening to all directions.

A. We should speed up the economic reform in line with the setting up of the socialist market economic system.

The 14th CPC Congress defined that the target for economic structural reform is to set up the socialist market economic system. The socialist market economic system that we are going to set up should be coordinated with the basic system of socialism. With the new system, we should have markets play a fundamental role in distributing natural resources under the state macroeconomic regulation and control. This is an arduous, long-term development process that entails complicated social system engineering. We should conscientiously attend to several key links relating to the set up of the socialist market economic system.

We should change the managerial mechanism of state-owned enterprises. The key to consolidating the socialist system and bringing into play the superiority of socialism is to improve the quality of state-owned enterprises and particularly strengthen the vitality of state-owned large and medium-sized enterprises. Since the implementation of the reform and open policy, we have done a lot of work to change the enterprise managerial mechanism and enliven enterprises. However, state-owned enterprises, particularly large and medium-sized enterprises, have not really become independent entities or main bodies for market competition. To enliven state-owned enterprises, we must conscientiously implement the regulation on changing the managerial mechanism of state-owned industrial enterprises, comprehensively delegate to enterprises the decisionmaking right to management, and make enterprises suit the development of the socialist market economy. To this end, we must resolutely return rights to enterprises; scientifically define the enterprise property management methods and the enterprise benefit distribution methods; and attain both the target of separation of administrative functions from enterprise management and ownership from management rights and the goal of having enterprises exercise independent management. In the Eighth Five-Year Plan period, the majority of the state-owned enterprises in the municipality should further improve the structure of management systems of contracted responsibility. Enterprises whose conditions permit should positively carry out the shareholding system on a trial basis. In line with the economic reasonable principle, we should encourage enterprises to conduct cooperation, amalgamate with others, and develop enterprise associations through competition. Simultaneously, the enterprises with a long history of poor management and those that are hopeless with regard to turning deficits into profits should be closed down, forced to manufacture other products, or merged with other enterprises. Some small state-owned enterprises may be leased or sold to the collectives and individuals for management. There must be fine external environment and conditions to change enterprise managerial mechanism. However, the key

hinges on deepening internal reform of enterprises; strengthening scientific management; improving enterprise quality; making enterprises more suitable for market competition; accurately handling the relationship of the state, the enterprises, and the staff and workers; guaranteeing the value and appreciation of state property; and having enterprises really become commodity producers and managers that are independent and responsible for their own profits and deficits and capable of transforming and developing themselves.

We should continue to deepen the rural reform on the outskirts of the municipality. We should persistently implement the principle of serving the capital, catering to the whole country, stepping toward the world, making the peasants rich, and building new socialist rural areas. In accordance with the level of productive forces and the will of the peasants and in line with different local actual conditions, we should define agricultural managerial methods, perfect the system of linking centralized management with decentralized management, develop socialized service system, consolidate and perfect specialized contracted and proper-scale management, and improve intensive and modernized levels. Town and township enterprises should further perfect the independent managerial mechanism and the mechanism of assuming full responsibility for their own profits or losses, promote the readjustment of the organizational structure, positively carry out the shareholding cooperation system, develop enterprise associations, run small industrial zones, and enhance reserve strength and market competitiveness. We should speed up the reform of the system for circulating farm products; encourage rural collective enterprises to engage in marketing and supply; guide the peasants to enter the circulation spheres; positively make agriculture, industry, commerce, and technology a coordinated process; make production, processing, and marketing a coordinated process; and further specialize, commercialize, and modernize the rural economy.

We should develop and perfect the market system. To develop socialist commodity economy, we should vigorously cultivate and perfect the market system. We should continue to develop the commodity market, particularly the markets for means of production, and positively cultivate markets for real estate, technology, labor service, and information consultation. We should speed up the reform of the financial system, develop the negotiable securities markets, and collect construction funds from various channels. Meanwhile, we should perfect market organizations and facilities; improve market regulations and means for market regulation and control; set up a fine market order; and gradually set up a multi-layered, regulatory, and controllable market system. Price reform is the key to developing markets and reforming the economic structure. Keeping the limits of our ability in mind, we should speed up the pace of reform, positively balance prices and set up a price

mechanism dominated by markets. Through equal competition among markets, we should select the good and eliminate the bad so as to promote the optimum distribution of natural resources.

We should promote reform in the distribution and social security systems. In distributing profits at municipal and district-county levels, we should first improve the financial management systems at the district-county level and bring into play the enthusiasm of both municipal and district-county level units. In dealing with the distribution relationship between the state and enterprises, we should earnestly complete the pilot work of separating taxes from profits on the premise of paying simultaneous attention to the interest of various aspects and gradually popularize the pilot work. In dealing with the distribution relationship between collectives and individuals, we should accelerate wages reform and establish or improve the wage systems that are in conformity with the characteristics of organs, enterprises, establishments, and units. We should also set up or perfect the mechanism of normal wage increase. In dealing with social distributions, we should bring the regulating role of tax revenues into play. Meanwhile, efforts should be made to further establish or improve the social security systems of employment, retirement, and Medicare; to develop the undertakings of social welfare; and to deepen the reform in urban housing affairs.

We should realistically shift the governmental functions. The principle of having the government shift its functions is aimed at separating governmental function and duties from those of enterprises; establishing the systems of macro readjustment and control, which are suitable to the market economic operation; and ensuring that the micro economic operation is filled with vitality. To this end, we should conduct auxiliary reforms among the systems of planning, investment, finance, tax affairs, banking, commodity prices, labor forces, and of the management of state property. All production and business rights belonging to enterprises should be totally delegated to them, and no administration unit should interfere in the delegation. Governmental departments should realistically do a good job in conducting the work of formulating overall plans, controlling policies, carrying out the guidance of information, applying the economic lever, improving the market system, perfecting various regulations and rules, and enhancing the auditing and supervisory work. They should also bring into play their functions of "planning, coordination, supervision, and services."

B. We should open to the outside world at multiple levels and in all directions and further enter the world economic stage.

To accelerate the capital's economic development, it is imperative to unswervingly implement the state fundamental policy of opening up; to expand the economic exchanges and cooperation with foreign countries; to better utilize more foreign funds, material resources, and

advanced technologies and managerial experience; and to vigorously develop the export-oriented economy.

We should bring the regional strong points into play and foster a pattern of opening to the outside world at multiple levels. According to the overall urban plan, the pattern of opening to the outside world is to have the high- and new-tech industry development and experiment zones, the science and technology parks, and the economic development zones emphatically develop high- and new-tech industries. The districts covered by the plan are to emphatically develop high- and new-tech industries and tertiary industry. Suburban districts are to develop agricultural production that can earn foreign exchange, successfully build up the bases of grains and nonstaple foodstuffs, establish small industrial zones, and actively develop tertiary industry. The plan is to further accelerate the opening up in the mountainous areas, to develop or utilize the material resources rationally, and to develop the export-oriented economy.

We should further broaden the fields of opening up and open the municipality to the outside world in all directions. In line with the state industrial policies, we should continuously uphold the principle of achieving simultaneous development in both urban and rural areas; among large, medium-sized, and small enterprises; and among the labor-intensive enterprises and the high- and new-tech- intensive ones. We should also organize in a planned manner the work of inviting business out of the municipality and provide more extensive and cooperative opportunities for overseas investments and more effective services for them. In the coming period, we should introduce more outside funds and develop with focal points commerce, tourism, communications, real estate business, and tertiary industry. By integrating the reform of traditional industries with the large-scale development of small industrial zones, we should start a large number of large and medium-sized industrial projects with a high starting point and a large scope, which will play an important role in readjusting the industrial structure across the municipality.

We should vigorously open and expand international markets to promote the development of multiple forms in foreign trade. While developing the trade with developed countries and regions, we should actively develop the trade with our neighboring countries, the CIS, the Eastern European countries, and the Third World countries. Efforts should be made to further readjust the structure of export commodities and to upgrade the proportion of machinery, electric products, and equipment that have high additional value. We should deepen the reform in the foreign trade systems; bring a change to the mechanism of specialized foreign trade enterprises in line with the international trade standard; and should follow the road of industrialization, grouping, and internationalization. The enterprises and scientific research units where conditions permit should exercise the decisionmaking right in foreign trade to promote the coordination of trade with industry, agriculture, commerce, and technology. Construction enterprises should further

go out of the gate of the country to develop overseas construction markets and undertake, on a contract basis, construction projects in foreign countries. The state-owned enterprises, urban and rural collective enterprises, and scientific research units, where conditions permit, should develop labor service cooperation with foreign countries, run overseas enterprises, and develop trans-national management. We should support individual industrial and commercial households and private enterprises to use their own funds to develop nongovernmental foreign trade. We should strengthen the investigation and study of the international economy and market and join the international market competition. We should positively develop cooperation with international organizations and foreign governments, strengthen the contacts with friendly overseas cities, friendly organizations, and international friends, and further expand the channels for opening to the outside world.

C. We should readjust the industrial structure, increase economic results, and speed up the development of the economy with the special characteristics of the capital and suitable to the market demands.

According to the nature, advantages, and conditions of the capital, we should further readjust the industrial structure and gradually form a reasonable industrial structure with new high-tech industries as a guide, with special characteristics of the capital, and suitable to the market competition.

We should vigorously develop new high-tech industries; bring into full play the capital's advantages of having a galaxy of talents and intellectuals; strengthen the combination of production, scientific research, and education; conduct technological transformation among key trades; do a good job in assimilating and digesting imported advanced technologies and blazing new trails; and realize a shift to the new high-tech industries. In particular, we should conscientiously organize the setup of new high-tech industrial development zones and economic and technological development zones in cities, districts, and counties; strive to make a new breakthrough in developing new high-tech products; form new production capacity; bring the zones' guiding and influential functions into full play; and promote the municipality's economic development and technological transformation.

We should speed up the development of tertiary industry. We should continue to implement the principle of pooling the efforts of the state, the collectives, and the individuals; persist in the principle that whoever makes investment will gain the ownership and benefits; organize all social forces to run tertiary industry, and attract other provinces and municipalities and foreign businessmen to run tertiary industry in our province. We should further develop commerce, tourism, and socialized service trade with faster and good efficiency and with larger employment capacity; vigorously develop finance, insurance business, supply trade, storage trade,

real estate, and public utilities that are closely related to the national economy; develop the information, auditing, accounting, and law consultation trades that are directly related to the social and economic progress; and develop the transportation, postal and telecommunications, scientific research, and education undertakings that produce a leading impact on the national economy. We should strive to ensure that by the end of this century, the added value of tertiary industry will account for more than 50 percent of the gross domestic product and the tertiary industry will become one suitable to the urban functions of the capital.

We should positively develop the industries suitable to the market competition and the special characteristics of the capital. On the basis of increasing economic results and in line with the principle that some things should be accomplished and some things should not be accomplished, we should speed up the readjustment of the industrial structure and the industrial product mix. We should focus on developing the machinery and electronics products with high technological contents and good economic results, including electronics products, vehicles, communications systems, household-use electrical appliances, and numerical control machine tools; positively develop various kinds of high-quality textile, food, medical, and printed products; arm and transform metallurgical, chemical industrial, building material, and machinery trades with new technologies; and pay attention to and strengthen energy resources industries. We should strive to build a group of key industrial projects and enhance the reserve strength for economic development in the Eighth Five-Year Plan period or so.

We should continuously and vigorously develop the rural economy in suburban districts. Agriculture is a foundation of the national economy. In line with the demands of high technologies, quality, and benefits, we should increase the input in agriculture through multiple channels and persistently depend on science and education to make agriculture prosperous. We should also continue to build water conservancy works and promote the overall mechanization of farming operation. By proceeding from the economic characteristics of suburban areas and from the needs of markets and in line with the principle of realizing the best comparative and overall benefits, we should make rational arrangements for developing the land and utilizing the material resources. We should readjust the structure of agriculture, forestry, animal husbandry, and fishery as well as the products' mix. We should also actively develop the intensive processing of farm and sideline products; broaden the production of commodities of famous trademark, fine quality, specialization, and new trade mark; and develop the agricultural production that can earn foreign exchange. Township enterprises should accelerate their technical renovations and strive to have more products enter the international markets. In line with the plans adopted by districts, counties, towns, and villages, they should make rational production arrangements and adequately concentrate on their production so as to bring

along the rural construction and the development of tertiary industry in rural areas. By integrating our work with that of consolidating the rural industrial structure, we should promote the enforcement of projects of having the mountainous areas become wealthy and accelerate the development and construction of mountainous areas.

We should enhance the economic and technical cooperation with the fraternal provinces, municipalities, and autonomous regions. Through various forms such as establishing joint enterprises, setting up scientific and technical joint institutes, organizing transregional enterprise groups, and developing raw material bases, we should enhance the cooperation with coastal regions, riverside regions, and border regions, as well as, in particular, with the regions of north China and in the Bohai Bay. We should realize the mutual supplement of material resources, fund invigoration, technical exchanges, and market expansion with them and strive to obtain a higher speed and a better benefit in economic development.

D. We should put the construction of infrastructures in the priority position in development and upgrade the modernized level of urban and rural construction.

The greater the development of the capital's economy, the higher will be the capital's level of urban modernization and the higher the extent of relying on infrastructures. Therefore, we must steadily and vigorously strengthen the construction of infrastructures and enable them to suit the economic and social development in the capital. Efforts should be made to raise funds through multiple channels; to boldly utilize outside funds; and to accelerate the construction of infrastructures, such as road traffic, post and telecommunications, and the supplies of water, power, gas, and heating. We should also concentrate our efforts on successfully building the projects of the west railway passenger station, the subway line between the Fuxing Gate and the Bawang Tomb, the road leading to the airport, the extension of gas pipe line to Beijing, and of diverting water from the south to the north. We should actively work out the way of paid utilization of infrastructures and gradually orient them onto the track of benign cycle.

In line with the principle of integrating the development of new districts with the renovation of outdated ones and of achieving harmony between the task of protecting the old city's outlook and that of embodying the spirit of the age, we should accelerate the construction of residential houses and public utilities. In building residential houses, we should continuously uphold unified planning and rational arrangements. We should build, in a related manner, commercial services, culture and education, and medical and public health facilities. We should also integrate the housing construction with the plan for grass-roots communities so as to foster a community network that can exercise the function of urban management and has more complete and relatively integrated utilities. Meanwhile, we should build a large number of

large public utilities that can render services for politics, culture, international contacts, and the people's livelihood so as to upgrade the level of urban modernization.

In line with the targets of cleanliness, beautification, and sound ecology, we should enhance the comprehensive consolidation of environment and upgrade the level in urban and rural greening, beautification, and purification. Efforts should be made to accelerate the pace in greening the urban areas and the towns of the isolated and suburban districts and to upgrade the level of vegetation among towns. Suburban rural villages should continuously plant trees on their barren hills, in their areas of protecting the water resources, and in their areas that are suffering sandstorm so as to provide good ecological protective screen for the capital. We should earnestly implement and enhance the state basic policy of environmental protection; particularly pay attention to consolidating handling of pollution involving waste water, gas, dregs, and noise; and enhance the urban garbage management and harmless garbage disposal. By the end of this century, we should strive to reach or almost reach the level of the world's modernized large cities in the quality of the municipal environment.

We should resolutely implement the state basic policy of family planning. By regarding rural villages as an emphasis, we should further do a good job in conducting the family planning work; implementing in an overall way the responsibility systems of population management; and bring the population natural growth under strict control. We should centralize the competence of approving the immigration to the capital; improve the measures of managing the immigration; and bring the mechanical population growth under strict control through the methods of administration, laws, and of the economy.

In line with the optimum arrangements of the revised overall plan for urban development, we should gradually shift the focus of urban construction from urban districts to suburban districts and shift the focus of urban district construction from expansion to reconstruction so as to form an urban and rural arrangement with five layers, such as urban districts, satellite cities, county towns, organic towns and townships, and organic villages, and a relevant economic pattern.

E. We should speed up scientific and technological progress, accelerate the cultivation of skilled persons, and further shift the economic construction of the capital into the orbit of relying on scientific and technological progress and upgrading the quality of laborers.

Bringing into full play the capital's advantages of having a galaxy of intellectuals and turning, as soon as possible, scientific and technological findings into productive forces is the key to elevating the economy of the capital to a new stage as well as the potential for economic development. Therefore, scientific research units and institutions of higher learning should further deepen the reform of scientific and technological system, positively

allow science professionals and technicians to run enterprises and economic entities at the grass roots on the basis of continuously achieving basic research and developmental research; set up and perfect a mechanism of linking science and technology with the economy, open various channels and adopt various forms to enter the main battlefield of the capital's economic construction, urban and rural construction, and urban management; and speed up the transformation and popularization of scientific and technological findings. It is necessary to further strengthen the protection of intellectual property rights. We should adopt effective policies and measures, such as public biddings and equal competition, to positively attract the scientific and technological forces of the central units stationed in Beijing to serve the development of new high-technology and the economy in the capital. Production enterprises, as departments of linking science and technology with the economy, should upgrade their awareness of relying on science and technology and strengthen the sense of urgency for making scientific and technological progress; positively and initiatively cooperate with scientific research units and institutions of higher learning at the time of bringing into full play their role as scientific research organizations; and speed up the pace of conducting technological transformation and developing new products.

To suit the capital's requirements for economic and social development and satisfy the people's requirements for accepting high-level education, we should continuously give priority to the development of education; vigorously upgrade the quality of the teachers rank; improve the educational quality; and promote the moral, intellectual, and physical development of skilled persons. On the basis of popularizing the nine-year compulsory education system, we should strive to basically popularize the education at the senior high school level by the end of this century. We should continue to develop vocational and technical education, mobilize the enthusiasm of all fronts, adopt various forms to run schools, and form a reasonable system with coordinate branches of learning. The institutions of higher learning in Beijing should bring their functions into full play and cultivate increasingly more specialized skilled persons for the capital. On the basis of readjusting the school arrangements and optimizing the specialized structure, the institutions of higher learning in the municipality should tap the potential for running schools and expand the scale of running schools. In line with the principle of studying for the purpose of application and developing education according to demands, we should do a good job in developing adult education with records of formal schooling, give in-service training, and develop continued education and vocational and moral education. We should further deepen the reform of in-school personnel affairs, labor, and distribution systems and the reform of the educational system, educational thinking, teaching contents, and teaching methods. We should open various channels to collect funds for running schools, continue to increase the government input to

education, positively support the development of school-run industries, and collect funds from all social forces to run civilian-run schools. Institutions of higher learning should reform enrollment and distribution methods, further delegate the decision-making powers for running schools to institutions of higher learning under the municipality, and set up and perfect a new system whereby schools have decision-making power and are geared to the demands of the society under the unified plan of the government.

Intellectuals, with fairly more scientific and cultural knowledge, are a part of the working class as well as advanced productive force pioneers. So, they play an especially important role in reform, opening up, and modernization. We should respect knowledge and skilled persons; adopt key policy measures to help intellectuals improve their work, study, and living conditions; and have them bring their functions into full play and eliminate their trouble back at home. Handsome awards should be given to the intellectuals with prominent contributions. The intellectuals who have finished their study in foreign countries and are engaged in the socialist construction in the capital should warmly be welcomed to the neglect of their previous political attitude. Simultaneously, we should provide them with an environment to bring their talents into full play and ensure that they will be free to conveniently enter the country and go abroad.

F. We should actively promote reform of political structure, improve democracy and the legal system, and accelerate organizational reform.

The goal of reforming political structure is to build the socialist democratic politics with Chinese characteristics; improve the socialist legal system; and conscientiously guarantee the power of the people as masters of the state.

We should further perfect the people's congress system; give full play to the functions of the municipal as well as district and county people's congresses and their standing committees; strengthen the ties of the people's congress standing committees with people's deputies and the ties of people's deputies with constituents; better develop the role of people's deputies; and improve the authority of local organs of state power.

We should further perfect the system of multi-party cooperation and political consultation under the communist party leadership and expand the patriotic united front in the new period. We should give full play to the role of the CPPCC, democratic parties, and the federation of industry and commerce; continue to recommend and support personages of democratic parties and those without party affiliation to assume leading posts in the municipal as well as district and county state organs; and attach importance to training cadres from democratic parties. We should conscientiously implement the party's policies on nationalities, religious, and overseas

Chinese affairs; achieve success in the work toward Taiwan; and serve the modernization program of the capital.

Leading organs and leading cadres should earnestly give heed to the opinions of the masses; fully develop the role of experts in various fields and research and consulting institutions; and make policymaking more democratic and scientific. We should conscientiously strengthen democracy at the grass-roots levels; develop the role of workers' congresses, residents' committees, and villagers' committees; guarantee the masses' right to the administration of state and social affairs; and consolidate and develop the vivid and lively political situation.

While facilitating the improvement of socialist democracy, we should improve the socialist legal system. We should speed up implementation of the practice to manage the municipality according to law; conduct in-depth education to disseminate laws; enhance the sense of respect for laws of cadres and the masses; and make sure that courts and procuratorates exercise their judicial and procuratorial power independently according to law. The socialist market economy, in a certain sense, is an economy ruled by law. In compliance with the new situation in the economic structural reform, we should step up formulation of laws and regulations in the economic field; improve local laws and regulations; and intensify the education of law-enforcement personnel to improve their law-enforcement level so that the political, economic, and social activities of the capital will gradually be standardized and institutionalized.

An important task of the political structural reform is to conduct organizational reform and streamline administration. The guiding thought for the organizational reform is to change, in line with the principle of separating government functions from business management and the principle of streamlining, unification, and efficiency, the incompatibility of the organs established under the planned economy system with the establishment of the socialist market economy system. As far as steps are concerned, we should first conduct experiments in pilot units before extending the reform in large areas; coordinate the efforts of higher and lower levels to implement the reform step by step; and complete it basically in three years. In correspondence with the organizational reform, we should accelerate the reform of the personnel system related to cadres; institute the public servant system as soon as possible; establish a mechanism of competition under which personnel can be promoted or demoted and employed or dismissed as required; and improve the incentive system that clearly metes out rewards and punishments and gives promotions and demotions in an orderly manner so as to boost the enthusiasm of cadres.

To expedite reform, opening up, and economic construction, we should have a stable political and social environment. Due to domestic factors and international influence, class struggle will still exist on a certain scope for a long time and will possibly become more intense in

certain conditions. We should clearly understand and properly handle the issues related to this. Under unified party and government leadership, we should both rely on the efforts of special organs and follow the mass line and mobilize the forces from all quarters of society to comprehensively tackle public security problems, to deal resolute blows to hostile forces and various criminal activities according to law, and to eliminate all ugly phenomena. Public security, procuratorial, and judicial departments should unswervingly implement the party's basic line; gear their work to and serve the central task of economic construction; strengthen the function of people's democratic dictatorship; step up efforts to improve their contingents; and provide a strong guarantee for reform, opening up, and economic construction. Meanwhile, they should use legal means to regulate economic relations to protect the legal interests of investors and reform explorers. We should persistently conduct national defense education participated in by all people; achieve success in militia and reserve forces work; launch in-depth activities to support the government and cherish the people and to support the army and give preferential treatment to family members of revolutionary martyrs and servicemen; and further strengthen the unity between the army and the government and between armymen and civilians. Safeguarding political and social stability is a glorious task for all the party organizations and people of various nationalities throughout the municipality. Party and government organs at all levels and all departments should have a correct command of the relations of reform and development with stability and make sure that reform promotes development, development consolidates stability, and stability ensures reform and development.

With the approval of the Chinese Olympic Committee, Beijing Municipality has submitted bidding to the International Olympic Committee for hosting the 27th Olympic Games in 2000, which is supported by the party Central Committee and the State Council, and which is what the entire country expects and the world focuses its attention to. Beijing's bidding for hosting the Olympic Games is an important sign of China's endeavor to deepen reform and open wider to the outside world, and it will have a great influence on strengthening the friendship between the people of various countries, increasing the exchanges between the two sides of the Straits, boosting the morale of the Chinese nation, and promoting China's socialist modernization. Taking the opportunity of bidding for hosting the Olympic Games, we should promote the two civilizations and strive to win the bidding successfully to win honor for the motherland and to make contributions to developing the Olympic spirit.

3. Adhere To the Principle of Attending to Two Fields of Work Simultaneously and Strive To Raise the Spiritual Civilization of the Capital to a New Level

Adherence to the strategic principle of attending to the material civilization and the spiritual civilization simultaneously and being strong in both is an inherent

demand of the effort to comprehensively implement the party's basic line and promote social progress and an important feature of the socialism with Chinese characteristics. Establishment of the socialist market economy system sets a still higher demand on the spiritual civilization. As the political, cultural, and international exchange center of the country, Beijing should be in the lead in building the spiritual civilization. We should conscientiously implement the principle of stressing construction; show the people's good mental outlook and social conduct of the capital to the whole world; and provide a powerful spiritual motivation and intellectual support to reform, opening up, and economic construction.

A. We should strengthen and improve propaganda and theoretical work and promote the reform, opening up, and economic construction of the capital.

In carrying out theoretical work, the capital should adhere to the basic principle of Marxism-Leninism-Mao Zedong Thought; uphold Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics; and, focusing on implementing the party's basic line, intensify theoretical research, theoretical propaganda, and theoretical education in line with the reality of the work in various fields so as to provide theoretical guidance to the modernization program. In the process of establishing the socialist market economy system, we should particularly attach importance to summarizing the fresh experiences created by the masses to provide scientific data to the policymaking of the municipal party committee and government. Meanwhile, we should intensify research on contemporary capitalism and give theoretical guidance to people so that they will bravely learn from the achievements of the civilizations of the present world that help China's economic development and social progress. We should give full play to the role of theoretical research departments; ensure academic freedom; improve the contingents; pay attention to the training and improvement of young and middle-aged theoretical workers; guide them to adopt Marxist stand, viewpoints, and methods in conducting research in a creative manner; and make contributions to developing philosophy and social sciences and upholding and developing Marxism.

Accelerating the pace of reform, opening up, and economic construction in the capital requires a good social atmosphere. The departments of mass media, such as newspapers, periodicals, and radio and television broadcasting, should continuously play their role in leading the public opinions, conducting supervisions, and relaying the information. They should emphatically publicize the new concepts of reform, opening up, and of developing the socialist market economy, as well as the new creations and personages. They should also lead the people to continuously emancipate their minds in the course of practice and bring their intelligence and wisdom into full play.

The cultural departments, including literary and art circles and publication agencies, should uphold the political orientation of "serving the people and socialism" and the principle of "letting a hundred flowers blossom and a hundred schools of thought contend." They should abide by or serve the center of economic construction. They should also strengthen the unity of the capital's contingent of literary and art workers, respect the law of creations, develop artistic democracy, and encourage or support the broad masses of literary and art workers to reach deep into reality to turn out better and more numerous spiritual and cultural products that are healthy and beneficial and well received by the masses. They should actively support the mass cultural activities vigorously springing up among enterprises, rural villages, campuses, and communities, and enhance their guidance over these activities so as to promote healthy development in this regard among them. Efforts should be made to vigorously develop the fine traditional culture of the Chinese nation, carry forward the capital's strong points in its historic and revolutionary relics, and introduce both domestic and foreign fine cultures and the cream of world culture so as to continuously develop specialized and mass cultures with the characteristics of the time in Beijing style. By adopting different forms at different levels, they should saturate the cultural demands of the capital's people and further bring its function as the center of national culture into play.

To meet the need of opening the capital to the outside world in all aspects and of letting the world better understand Beijing, we should actively pioneer a new road and field for overseas propaganda work, earnestly summarize the experience gained in this work, and better serve the capital's economic construction.

B. We should enhance and improve the ideological and political work and bring into play the enthusiasm of the broad masses of cadres and people in building socialism.

The ideological and political work represents an important guarantee for implementing the party's basic line. The more we deepen reform, broaden opening up, and accelerate economic development, the more attention we should pay to the ideological and political work. Major tasks in the current work in this regard are to unify the thinking of the municipal people with the spirit of the 14th CPC Congress, to resolutely implement the party's basic line of "one center and two basic points," to arouse the people's enthusiasm and creative spirit, and to make contributions to accelerating the capital's programs of reform and opening up and improving the economic construction to a new level.

Party organizations at all levels should adapt themselves to the new situation of developing the socialist market economy, better assume the responsibility of leading the ideological and political work, define by proceeding from the reality the contents and styles of the ideological and political work, and should do a good job in conducting the work by having a definite object in view. Enterprises should study or draw on the experience

gained by the units, including the Capital Iron and Steel Company, and effectively conduct ideological and political work in a timely manner according to the needs of shifting the business mechanism among such links as production, management, and distribution. Efforts should be made to continuously study ways and methods of conducting the work among township enterprises, the "three types of foreign-funded" enterprises, private enterprises, and self-employed businessmen, as well as to steadily summarize the experience gained in this work.

Workers in charge of the party's ideological and political work should further heighten their spirit and study with the broad masses of party members, cadres, and people the law of conducting the work under the new situation. They should foster a vivid situation in which the entire party and society join in ideological and political work.

C. We should improve the ideological and moral quality of the people throughout the municipality, and make great efforts to create a civilized and sound, first class social atmosphere in the whole country.

With the aim of bringing up a generation of a new type of socialist people who have lofty ideals, good morals, knowledge, and discipline, we should continue to educate all Tianjin people with the party's basic line, with modern history and contemporary history, and with the situation of China and Beijing in order to help them resist the influence of corrosive capitalist and feudal ideas; enhance their feelings of self-respect, self-confidence, and self-improvement; and embrace the ideas of patriotism, collectivism, and socialism. We should also conduct education among all Tianjin people on the outlook of life, values, and social ethics, and should advocate the spirit of arduous struggle, bridling the country through thrift and hard work in order to help Tianjin's people embrace the socialist moral idea of observing the demands of professional civilization and the standards of professional morality. We should resolutely oppose and resist the unhealthy trends of various trades and other negative and corrosive phenomena, should continue to launch the anti-porn campaign and the campaign against the "six vices," should persistently wipe out all sorts of ugly phenomena of society according to law, and should educate the people to embrace the idea of abiding by discipline and laws. In strengthening the construction of ideological morality, we should begin with youths and juveniles and strive to improve their ideological and moral quality as well as scientific and cultural expertise by regarding it as a strategic task.

We should conscientiously summarize the experiences gained from the activity of "being civilized citizens, creating civilized units, and building civilized cities." We should further promote the detailed development of mass spiritual civilization activities like army-civilian and police-civilian joint activities. In the rich and vivid practice of socialism, we should make great efforts to create a socialist spiritual civilization which reflects social progress and the spirit of our times, and which is imbued with Chinese characteristics.

D. We should positively promote and propagate the reform in the cultural sphere and make the socialist culture of the capital flourish.

The key to making the socialist culture flourish lies in the reform of propaganda and cultural systems. Proceeding from realities, we should boldly reform the existing production and management systems and the operational mechanism of spiritual and cultural products in order to make the capital's cultural undertakings constantly flourish and grow.

We should improve the leadership methods and management systems of the party and government with regard to propaganda and cultural work, and should give more powers of production and management to cultural production units in order to strengthen their vitality. Cultural production units should positively promote the reform of their internal management system, and should gradually provide competition and incentives that are suitable for the characteristics of respective units that help produce more products, better efficiency, and better talents. We should promote the cultivation of the cultural market and improve the skills of managing the cultural market according to law.

We should continuously perfect economic policies on cultural undertakings and should support and promote the development of the capital's cultural undertakings. We should gradually increase investment in building spiritual civilization, pay attention to building cultural facilities, and adopt diversified forms by importing foreign funds and initiating cultural industries and undertakings to provide essential material conditions for producing fine-quality spiritual and cultural products. Under the condition of producing sound and useful spiritual and cultural products, cultural production units should be allowed to produce and deal in the related products that belong to the extension of culture and to deal in the products of other trades in order to attain the goal of "providing culture through the efforts of cultural units and support by diverse trades."

We should expand the opening scale of culture, positively broaden international cultural exchange and cooperation, disseminate the excellent culture of the Chinese nation, and strive to enable even more cultural products to enter the world market.

Building the socialist spiritual civilization is the common task of the whole party and the whole society. Party committees and governments at all levels should further strengthen leadership, conscientiously study the characteristics and the law of the building of spiritual civilization under the new situation, and continue to summarize experiences to truly raise the capital's construction of spiritual civilization to a new stage.

4. We Should Emancipate the Mind, Seek Truth From Facts, and Further Enhance the Awareness and Firmness of Implementing the Basic Line of the Party

Emancipating the mind and seeking truth from facts is the essence of the theory of socialism with Chinese

characteristics as well as a magic weapon for ensuring the permanent vitality of the party. The practice of reform and opening up in the past 14 years indicated that if we persistently emancipated the mind, sought truth from facts, and coordinated subjectivism with objectivism, we would become quick-witted, possess many methods, develop undertakings, and ensure smooth progress of work instead of feeling quite helpless and not taking any strides. To continue to unswervingly implement the basic line of the party; fulfill the strategic tasks as defined at the 14th CPC Congress; and speed up the capital's reform, opening up, and economic construction, we should persist in the party's ideological line of proceeding from reality in seeking truth from facts and ceaselessly emancipate the mind.

A. To comprehensively and accurately grasp the basic line of "one center and two basic points," we should eliminate the influence of various wrong tendencies.

In the course of building socialism with Chinese characteristics, we will come across the influence of faulty reasoning from both the "left" and right. We should guard against the right, but mainly guard against the "left." Rightists are mainly negating the four cardinal principles and advocating bourgeois liberalization, even creating political disturbances. "Leftists" negate reform and opening up, thinking that the main danger of peaceful evolution comes from the economic sphere. They are even affecting and attacking the central link of economic construction with the thinking of "taking the class struggle as the key link." "Left" and right are lopsided and the source for subjective idealism. Thus, both are able to bring about gigantic damages to the undertaking of the party and to spell an end to socialism. In our party history, "leftist" mistakes spread unchecked for a long period of time and had a profound influence. These mistakes have become a kind of habitual forces and have confined the people's brains for a long period of time. So, through reform and open up, we should explore and pioneer new ways and eliminate the systems and ideas affecting the development of productive forces. The main obstacles are from the "leftist" side. In the course of building socialism with Chinese characteristics, particularly developing the socialist market economy, leading cadres at various levels should eliminate the influence of various wrong tendencies, particularly preventing the "leftist" influence. We should persistently proceed from reality, link theory with practice, overcome the lopsided thinking, methods and metaphysics, be good at analyzing and solving the problems with the world outlook and methodology of dialectical materialism and historical materialism, enhance the awareness and firmness of implementing the basic line of the party, and ceaselessly create a new situation in reform, open up, and economic construction. In line with the principle of seeking truth from facts, we should specifically analyze the different opinions and deviations made in ideological undertakings and work practices. We must not wantonly regard them as "leftist" or rightist political tendencies.

B. We must not be restricted by disputes of whether a move is "socialist" or "capitalist" and boldly assimilate and use all civilized achievements created by human society.

A key factor fettering our thinking for several years was that we did not accurately and comprehensively understand the essence of capitalism and socialism of the present age, thus fettering the thinking of the people and preventing the development of social productive forces. Socialism and capitalism are different in their systems. Upon observation of the opposite aspect of the struggle, we should fully see that we can learn, refer to, cooperate with, and utilize them. We must not think that everything in capitalist society is capitalist and thus diametrically opposed to the socialism. We should have the daring to assimilate and use for reference the advanced sciences and technologies of various foreign countries in the world, including the well-developed capitalist countries, as well as their advanced managerial methods and forms reflecting modern socialized production. Simultaneously, we should be good at using foreign funds and natural resources to develop and strengthen ourselves.

In the effort to free ourselves from the shackles created by the abstract argument on whether our moves are socialist or capitalist, a current issue is to further understand and handle well the relationship between keeping public ownership in a predominant position and developing the various sectors of the economy. Since reform and opening up started, it is because we abandon the systems and concepts of pursuing larger sizes, a higher degree of ownership, absolute perfection in the structure of ownership, and because we allow and encourage the common development of the various sectors of the economy while keeping public ownership predominant that our structure of ownership becomes compatible with China's current level of productive forces and we are able to promote the development of productive forces. As has been proven in practice, individual, private, and foreign-funded economies are beneficial supplement to the socialist economic development. They have played a positive role in developing productive forces, expanding employment, making people's lives more convenient, increasing state revenues, and bringing in funds, technology, and managerial expertise from abroad. Individual, private, and foreign-funded economies have developed substantially over the past few years, but their proportion in the entire economy is still rather low. On the condition that public ownership remains predominant, we should further develop the nonpublic sectors of the economy and develop their beneficial and supplementary role. We should have more courage and take quicker steps in doing so. This will not harm socialism. On the contrary, it is conducive to socialist development.

C. We should further shake off the shackles of the ideas of the traditional planned economy and embrace the new concepts compatible with the development of the socialist market economy.

Changing the old systems that hinder the development of productive forces and establishing the vigorous new system of the socialist market economy constitute a profound revolution, and the change in our ideas and concepts accompanying this revolution is an important part of the effort to emancipate our mind.

The past system of the planned economy did play an historical role in certain historical conditions. However, under a long period of a highly centralized planned economy system, a whole set of ideas, concepts, and work styles compatible with this system also took shape, and we became used to taking charge of everything. As a result, government and enterprise enterprises mixed; and grass-roots levels and enterprises lacked vigor and initiative, and they waited for, relied on, and asked for assistance from higher levels. This helped the growth and spread of ossified ideas and a passive attitude.

Due to the special position of the capital, we relied much on the planned supplies to the market, and old systems and old concepts had a greater impact on us. This prevented people from developing their enthusiasm and initiative and made them fearful, unwilling, and incapable to compete in the great trend of the market economy. Since reform and opening up started, such a situation has greatly changed, but we still fall far short of the demand for establishing the socialist market economy system. We should further shake off the restrictions of the ideas of taking charge of everything and waiting for, relying on, and asking for assistance. We should change the control that is too much and too rigid, change the practice of taking charge of everything through administrative means, and embrace the concepts of conducting macro regulation and control, respecting the economic law, and acting according to law. We should further overcome the idea of reliance and waiting and embrace the concepts of independence, opening up, equality, competition, and efficiency and the concept of selecting the superior and eliminating the inferior. We should fully develop our subjective initiative; have the courage to blaze new trails, take risks, and conduct experiments; correct what is wrong in a timely manner; and conscientiously persist in what is correct. Through arduous exploration, we should strive to achieve a good command the law governing the market economy; create the efficiency and benefits higher than those of capitalism; and enable socialism to fully develop its superiority.

D. We should further emancipate our mind concerning our understanding of the characteristics of the capital and the nature of the city and fully develop the advantages of the capital.

The capital has exceptional advantages in accelerating reform and opening up and developing the socialist market economy. In our practical work, however, these advantages have not fully developed, and some of them have even become ideological burdens.

To accelerate the economic development, we should seek to unify thinking about the relationship between the nature of the capital and the development of the economy. We should say that in the course of developing the socialist market economy, the nature of the capital supplements and is in unity with the acceleration of the capital's economic construction. They are not contradictory. The position and nature of the capital have provided the economic development with superior conditions and higher demands. Like the whole country, the capital should persistently take economic construction as the key link. This must not be shaken at any time. The capital must have a rich material foundation in order to fully embody the nature of a political, cultural, and international exchange center and provide better service for the central authorities, the whole country, and all people of the municipality. This is a given. Through the efforts made over the past decades since the founding of the PRC, Beijing has built itself into an industrial city with a fairly complete set of economic branches. In particular, the capital enjoys exceptional advantages in the political, cultural, scientific and technological, information, capital, transportation, and tourist spheres. These are powerful motivations, gigantic potential, and prospects for promoting the economic development of the capital. Therefore, Beijing has full conditions to make bigger strides toward and to speed up the pace of reform, opening up, and economic construction. With the level of the productive forces fairly low, we should proceed from the reality of the capital to develop the spheres, enterprises, and projects efficiently and create conditions for speeding up the development. We must not hesitate or lose the opportunity. The key is that leaders at various levels should have a strong sense of responsibility, urgency, and crisis; have the daring to adopt some breakthrough policies and measures; and have new ideas and accomplish something in the spheres of bringing into play the advantages of the capital and speeding up the reform, opening up, and economic development. However, we should not rush headlong into mass action as soon as we mention speeding up development and should avoid taking the old path of lopsidedly seeking output value and blindly developing new projects.

We should deeply understand Comrade Deng Xiaoping's thesis that development is unchanged truth. Beijing is a political center. Thus, it is possible that its work measures can bring influence the whole country and even the whole world. We must proceed from the overall situation of political and social stability to think of problems and handle affairs prudently. We must never let our influence bring losses to the whole situation due to our negligence and mistakes. However, stability does not mean no development and prudence does not mean being overcautious. Development is unchanged truth. Only when we speed up the capital's economic development, improve the level of productive forces, and improve the people's livelihood will we be able to provide a firm material foundation for the stability of the capital and will we be able to bring into play the

capital's key role in maintaining the stability of the whole country in the initial stage of socialism. Seeking stability at the expense of development is temporary and passive. This kind of stability must not be consolidated. We should comprehensively understand the truth that the economic development needs stability and the purpose of stability is development; be good at using the stable environment to speed up the pace of development; have the daring to take the paths that our forefathers have not taken and do the things that our forefathers have not done; set, according to our capability, the highest standards on our work; and strive to stand in the front row in the country's economic development and political and social stability.

The objective world is constantly changing, as do the ideas reflecting the objective world. There is no end to the emancipation of the mind. Emancipating the mind is a process of ceaselessly deepening our understanding of the objective world. Therefore, along with the constant development of the great practice of reform, opening up, and socialist construction, we should ceaselessly emancipate the mind and discover, invent, and create whatever will allow us to ceaselessly promote the progress of all work.

5. Enhance Party Building, Uphold and Improve the Party's Leadership

The key to whether we can uphold the party's basic line for a long time and better and faster develop the economy lies in our party. The key also lies in arming the entire party with Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics. The historic experience has shown that the more we conduct reform and opening up, the more we should uphold the party's leadership. All viewpoints and methods that suspect, weaken, and negate the party's ruling position and leading role are fundamentally wrong and very harmful. In the new historic period, the situation faced by the party and tasks undertaken by it have incurred great changes and put forward a higher demand for party building. Party organizations at all levels throughout the municipality should earnestly implement the provisions set in the Party Constitution. In line with the demand adopted at the 14th CPC Congress with regard to enhancing party building and improving the party's leadership, these organizations should abide by the party's basic line; uphold the principle of having the party manage party affairs and of strictly running the party; vigorously upgrade the ruling and leading levels of the party; and they should upgrade in an overall way the party's fighting strength and bring the party's leading and core roles into full play by bearing in mind Beijing's reality of reform and construction.

A. We should arm the party members throughout the municipality with the theory of building socialism with Chinese characteristics.

Marxism-Leninism-Mao Zedong Thought represents a guidance for our party's action. Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics is the newest result scored in integrating Marxism with China's reality. It is the contemporary Marxism of China. Comrade Deng Xiaoping, the chief architect of our country's programs of reform, opening up, and modernizations, has made important and great contributions to the founding of the theory of building socialism with Chinese characteristics by displaying the tremendous political courage of opening a new road of socialist construction and the tremendous theoretical courage of pioneering the new realm of Marxism. The central content of studying Marxism-Leninism-Mao Zedong Thought is aimed at studying Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics. The leading cadres of party members at all levels and the leading cadres at or above the district-county-bureau level should first take the lead in studying theory, enhance their consciousness and firmness in implementing the party's basic line, and upgrade their capability in conducting their work in a creative way under the new historic conditions. They should deal with practical problems. The teaching activities of party schools at all levels, the theoretical study classes of cadres, and the education conducted among party members should regard as central content the theory of building socialism with Chinese characteristics. Through a thorough education, we should enable party members and cadres to further understand the theory's quintessence that is to emancipate minds and to seek truth from facts. We should enable them to clearly discern the socialist essence that is to emancipate the productive force, to develop productive forces, to remove the exploitation and polarization, and to finally reach the target of commonly becoming wealthy. We should also enable them to clearly discern that they should firmly grasp the center of economic construction in the course of socialist construction as a whole, uphold the reform and opening up as well as the four cardinal principles, and oppose bourgeois liberalization.

While earnestly studying the theory of building socialism with Chinese characteristics, all party members should make efforts to study scientific and cultural knowledge; to painstakingly study their professional work; and to strive to become experts and innovators of their professions.

B. We should build the leading bodies at all levels into staunch leading collectives of upholding the road of building socialism with Chinese characteristics.

The key to enhancing party building lies in building the leading bodies at all levels into staunch leading collectives that are loyal to Marxism and that uphold the road of building socialism with Chinese characteristics. Efforts should be made to uphold the principle of having cadres under the party's jurisdiction. In selecting cadres, we must follow the guideline of ensuring that the ranks of the cadres become more revolutionary; younger in average age; better educated; and more professionally

competent. We should also follow the criterion of having both ability and political integrity. We should also judge whether these cadres implement the party's basic line, listen to the party's directives, have the belief in upholding socialism and Communism, have knowledge, have gained practical experience, and have organizational ability. The outstanding cadres who have emancipated the mind and made outstanding political achievements in the course of reform and construction should timely be promoted to leading posts. We should pay attention to protecting the cadres who have made some mistakes but have the spirit of keeping forge ahead and are good at creating a situation and should help them bring their enthusiasm into play. Those who are of limited ability, engage in speculation, and only ask for official titles must not be promoted. We should persistently select cadres from all corners of the country, take the mass line, handle affairs strictly in line with regulations and procedures, and prevent and correct unhealthy practice.

To strengthen the party's leadership over the economic work, party committees and leading party groups of districts, counties, and economic departments should appropriately rise the proportion of the members who are familiar with the economic and scientific and technological work. In line with the reality, party and government leaders of units are allowed to appropriately exchange their posts. Party leading cadres at various levels should positively study economic theories, understand the overall economic situation, and gain the initiative in guiding the economic work.

Party organizations at various levels should approach from the high plane that the basic line of the party must not be shaken for 100 years, have their sight on the overall situation of reform and construction, and speed up the cultivation of young cadres. Simultaneously, we should positively cultivate and select women cadres, cadres of minority nationalities, and non-CPC cadres. Now, young cadres amount to only a small number in the district, county, and bureau leading bodies. Some of the leading bodies fail to organize a ladder-shape cadres rank. We should eliminate the old ideas of settling the order of seniority and demanding perfection, comprehensively treat the young generation with the dialectical development viewpoint, further emancipate the mind to select personnel, further widen the channels for understanding the people, and have more daring to employ personnel. Through readjustment, we should gradually ensure that the age structure of leading bodies become more reasonable. It is necessary to continuously carry out the cadres exchange system. We should be determined to send young cadres to the forefront of reform and open up and have them temper themselves and enhance ability.

We should strengthen the leadership over the work toward veteran cadres. We should conscientiously implement the cadre retirement system, realistically attend to the work toward retired cadres, be concerned with their

political activities and livelihood, and have them to accomplish something and spend their remaining years in peace.

The struggle for and against peaceful evolution in the course of developing the socialist modernization will exist for a longer period of time. So, we must never ignore our vigilance. Particularly, senior party cadres should keep sober-headed.

C. We should build grass-roots party organizations into a powerful political core and a powerful fighting force.

The grass-roots party organization is the foundation for the party work and the combat effectiveness of the party. We should ultimately rely on the grass-roots party organizations; have them bring into play their role as a political core and a fighting force in order to implement the party's line, principles, and policies; and have them make fruitful achievements. In line with the regulations as set forth in the party constitution adopted at the 14th CPC Congress, party committees at various levels should vigorously strengthen the construction of grass-roots party organizations, particularly grass-roots party branches; do a good job in selecting and training party branch secretaries; sum up and popularize the experiences gained by advanced party branches; continue to consolidate backward branches; upgrade the work quality of general branches; and strengthen party organizations' combat effectiveness.

We should further strengthen the construction of village-level organizations with party branches as their nucleus, realistically bring into play the rural grass-roots party organizations' role as a leading core, positively guide the vast number of the peasants to deepen the rural reform, develop the rural economy, and take the path of common wealth. Town and township enterprises have become the pillar of the rural economy in the suburban areas. So, we should regard the party building of town and township enterprises as a priority in the construction of the rural grass-roots party and organizations and conscientiously attend to it.

Party organizations of the enterprises owned by the whole people should fully play their role as a political nucleus, persist in and improve the director responsibility system, and rely on the working class wholeheartedly. They should conscientiously step up efforts to improve themselves, lead ideological and political work well, participate in decision-making of major issues of the enterprises, and ensure and supervise the implementation of party and state principles and policies in their own enterprises. They should support directors and managers to exercise their power according to law, support workers' congresses to perform their work, and give play to the role of the working class as masters. On the premise that the requirements on cadres are upheld, party organizations should fully respect the opinions of directors and managers on the selection of cadres. We should further improve the cadre appointment and removal procedures according to whether cadres are

nominated by directors, recommended by party committees, examined by organization and personnel departments together, examined and discussed by party committees and administrative leaders together, or removed by directors.

Individual and private economic organizations, the three types of foreign-funded enterprises, and enterprise groups have developed very rapidly over the past few years. We should actively create favorable conditions for establishing and improving party organizations, trade unions, and Communist Youth League [CYL] organizations in these economic organizations according to relevant regulations and explore and create corresponding work methods and activities in line with the actual conditions.

Focusing on implementing the party's basic line, grass-roots party organizations in offices, schools, scientific research institutes, and neighborhoods should all step up efforts to improve themselves in line with their specific conditions and accomplish more successfully their responsibilities and tasks as stipulated in the Party Constitution.

Stepping up efforts to build the contingent of party members and improve quality constitute an important part of the building of grass-roots party organizations. The municipality now has 1 million party members. The current key work is to improve the quality of party members and deal with the low proportion of the party members working at the fore of production and the low percentage of young party members. We should conscientiously conduct the training and education of the people active in joining the party and attach importance to recruiting party members from workers, peasants, intellectuals, and outstanding youths working at the fore of production and other work to guarantee that the quality of party members meets the requirements. We should persistently educate party members on the basic line, basic knowledge, party spirit, socialist faith, and communist ideals. In the new historical periods, all the communist party members should display the spirit of emancipating the mind and creating the new, the spirit of respecting science and making earnest efforts to do practical work, the spirit of keeping public interests in mind and working in unity, the spirit of being modest and prudent while respecting the advanced, and the spirit of arduous struggle and selfless devotion so that they will become advanced elements who firmly implement the party's basic line, devote themselves to reform, opening up, and the modernization program, serve the people wholeheartedly, and lead the masses in winning real achievements in economic development and social progress and will fully play a leading and exemplary role in building the two civilizations in the capital.

D. We should persist in and improve democratic centralism and strengthen the unity of the party.

Democratic centralism is the basic organizational principle of the party and also the application of the mass

line to the party life. Party organizations should strive to create the climate and conditions for party members to participate more in the affairs within the party, fully respect and guarantee party members' democratic rights, and encourage and support party members to evaluate and offer suggestions on the party's work and leading cadres according to the stipulations of the Party Constitution. Party organizations at all levels should persist in the system of collective leadership and conduct discussions on major issues. The final say will never be left to just one or a few persons. We should uphold the organizational principle that individuals are subordinate to the party organizations, the minority to the majority, the lower-level organizations to the higher ones, and the party organizations at all levels and all party members to the National Party Congress and the Party Central Committee. Different views may be kept when they develop and expressed at party meetings or to higher levels. However, no one is allowed to act in his own way. Party organizations at all levels must persist in combining centralism based on democracy with democracy under centralized guidance, boost the enthusiasm of the broad masses of party members, and enhance the party's fighting capacity.

Unity within the party is the party's life and a guarantee for achieving endless victories in all undertakings of the party. Unity will give rise to cohesion, fighting capacity, and new productive forces. Paying attention to unity and the overall situation is the basic demand set upon the party's leading cadres at all levels. In accelerating reform, opening up, and economic development, we should give more emphasis to unity, particularly unity among the leading bodies at all levels. Marxism-Leninism-Mao Zedong Thought, the theory on building socialism with Chinese characteristics, and the party's basic line are the basis of unity. We must strengthen unity within the party and among leading bodies on this basis. Leading cadres at all levels must uphold the system of holding double party democratic life activities; regularly exchange views; conduct criticism and self-criticism; pay close attention to the party's work and the overall situation; trust, support and understand one another; and work through concerted efforts.

E. We should uphold the principle of serving the people and strengthen the building of party style.

Formed during the period of protracted revolutionary struggle and socialist construction, the party's work style of integrating theory with practice, maintaining close ties with the masses, and conducting criticism and self-criticism comprises, together with the tradition of self-reliance and hard struggle, the precious spiritual wealth of ours that should be further carried forward in line with reform, opening up and economic construction.

The masses of people are the source of our party's strength and the party's purpose is to wholeheartedly serve the people. It is necessary to uphold the party's line at all times, unceasingly publicize the party's advocacy among the masses of people, and turn the party's line,

principle and policies into their conscious action. We should further maintain closer ties between the party and the masses of people, observe the wishes of the masses, care for their hardships, listen to their views and criticism, place ourselves under mass supervision, respect the pioneering spirit of the masses, and maintain fish-to-water relations with them.

The trade unions, CYL organizations, and women's federations are the party's mass organizations for leading the working class, advanced youths, and women of various nationalities from different circles. Party organizations at all levels must firmly cultivate the concept of wholeheartedly serving the working class and the broad masses of people; realistically strengthen and improve leadership over the trade unions, CYL organizations, women's federations and other mass organizations; support their independent implementation of their work; and give play to their role as a bridge and a link for maintaining ties with the masses.

The party style of the ruling party and the ties between the party and the masses are an issue concerning the life and death of the party. In the whole course of reform and opening up, we should strengthen the party's discipline, consider rectification of party style, strengthen the building of clean politics, fight corruption as a major affair, be determined to grasp them until good results are achieved, and win the people's confidence. Communist Party members, particularly leading cadres, should share happiness and hardships with the masses, set norms for their conduct in line with the regulations of the party constitution, take the lead in struggling against unhealthy trends and corrupt phenomena, and be models in observing discipline and law and keeping clean and honest. Party organizations at various levels should strengthen leadership, solve the major problems in improving party style and administrative honesty step by step and in the order of priority, and resolutely and strictly punish violators of law and discipline and the corrupt according to party discipline and state law. We should rely on education, systems, and legal system to ensure the improvement of party style and administrative honesty. We should perfect the supervisory system in and outside the party and among the people from higher levels downward and vice versa. In particular, we should set up a restriction mechanism to effectively prevent law enforcement departments and those engaged in personnel, financial, and material affairs from abusing power for selfish gains and from malpractice within trades. We should strengthen the party's leadership over discipline inspection work, continue to attend to administrative supervisory work, and bring supervisory workers' functions into full play.

Overcoming formalism is an important part of strengthening the improvement of party style. Formalism is bureaucracy and it thus dangerous to reform, opening up, and economic construction. In line with organizational structural reform, streamlining administrative procedures, and delegating power to lower levels, we should further reduce meetings, documents, and routine

work activities, such as holding welcome receptions and farewell parties. Leading cadres at various levels should concentrate on studying the policies and principles of the central authorities and investigating and studying the real situation of the localities and departments; mobilize their enthusiasm; do solid work; stress efficiency; and complete the work in various spheres.

According to the guidelines of the 14th CPC Congress and the suggestions of the municipal advisory commission, the seventh municipal party committee takes the lead in not formalizing the advisory committee. Since its establishment, the municipal advisory commission has done a lot of fruitful work in promoting the capital's reform, opening up, and economic construction; in safeguarding and developing the capital's political situation characterized by stability and unity; and in providing assistance to the municipal party committee. It has made historical achievements. We give great respect to the veteran comrades of the municipal advisory committee who are of noble character and prestigious and are unrestrictedly faithful to the cause of the party and the people.

Comrades, like the whole country, Beijing is in a key period of reform, opening up, and economic construction. By the end of this century we should prefulfill the target of quadrupling the gross domestic product by three years, noticeably strengthen the overall economic strength, markedly improve the modernization of the urban and rural areas, vigorously develop all social undertakings, further improve the people's livelihood, and strive for organizing the 2000 Olympic Games. These tasks are extremely arduous and glorious. Under the guidance of the guidelines of the 14th CPC Congress, we should closely rally around the party Central Committee with Comrade Jiang Zemin as its nucleus; unswervingly persist in the basic line of the party; organize and guide the vast number of party members, cadres, and people in the municipality; work with one heart and soul; pool the wisdom and efforts of the people; and capture a new victory in the capital's socialist modernization.

Northwest Region

Gansu Elects Governor, People's Congress Chairman

OW1901103293 Beijing XINHUA Domestic Service in Chinese 0755 GMT 17 Jan 93

[Text] Lanzhou, 17 Jan (XINHUA)—Deputies attending the first meeting of the Eighth Gansu Provincial People's Congress yesterday [16 January] elected Yan Haiwang [7051 3189 2489] as governor; and Zhang Wule, Lu Ming, Yang Huaixiao (Hui nationality), Chen Yiling, Guo Kun [6753 3824], and Cui Zhenghua [1508 2973 5478] as vice governors of Gansu.

The deputies also elected Lu Kejian [0714 0344 0313] (Tibetan nationality) as chairman of the Gansu Provincial People's Congress Standing Committee.

Qinghai Opens 8th Provincial Congress in Xining

HK1501093193 Xining Qinghai People's Radio Network in Mandarin 2300 GMT 5 Jan 93

[Text] Yesterday [5 January] morning, the First Session of the Eighth Qinghai Provincial People's Congress solemnly opened in Xining. [passage omitted]

Executive Chairmen Huanjue Cenam, Yang Maojia, Mao Wending, Gaisang Doji, and Ma Shiqing of the session presidium were seated in the front on the platform. Leaders of the provincial CPC Committee, the provincial Advisory Commission, the provincial Discipline Inspection Commission, the provincial government, the provincial people's political consultative conference, the provincial military district, military units stationed in Qinghai, the provincial Higher People's Court, and the provincial People's Procuratorate, including leading comrades Yin Kesheng, Tian Chengping, Cai Zhulin, Sang Jiejia, (Chang Daoren), Doba, (Kang Shichang), Bainma Dandzin, Ma Yuanbiao, La Bingli, Wang Hanmin, Han Yingxuan, Wang Yuyuan, and (Zhu Kunming), sent congratulations to the session and were seated on the platform.

Also seated on the platform were members of the Standing Committee of the Seventh National CPPCC, some veteran comrades, and members of the session's presidium. At 0900, the session began with the majestic national anthem. Huanjue Cenam, executive chairman of the presidium, presided over the session. [passage omitted]

Acting provincial Governor Tian Chengping gave a government work report at the session. [passage omitted]

Tian Chengping Elected Governor

HK1501091693 Xining Qinghai People's Radio Network in Mandarin 2300 GMT 10 Jan 93

[Text] The First Session of the Eighth Provincial People's Congress held its fourth meeting yesterday afternoon [10 January] and conducted its first elections. The presiding chairmen of this session are: Yang Maojia, (Gan Shouxian), Guo Shaozhong, Huanjue Cenam, (Yang Hengshun), (Li Jingde), (Hou Jingde), (Zong Zhujia), (Peng Yungeng), and (Pang Mao). A total of 363 delegates attended the meeting and thus met the quorum.

The meeting participants approved the proposed election methods. After the formal namelist of candidates was nominated, seconded, and submitted by the presidium, the delegates voted through secret ballot.

Huanjue Cenam was elected chairman of the Standing Committee of the Eighth Qinghai Provincial People's Congress, while Tian Chengping was elected governor of

Qinghai Provincial People's Government. Ma Yougong was elected president of the provincial Higher People's Court, and Zhang Jimin was elected president of the provincial People's Procuratorate. Mo Yanhai was elected secretary general of the Eighth Qinghai Provincial People's Congress.

At the conclusion of the meeting, the delegates went to the Science and Technology Center, where they visited the exhibition on the results of the province's comprehensive agricultural development.

Qinghai Secretary Addresses CPPCC Session

HK1501091193 Xining Qinghai People's Radio Network in Mandarin 2300 GMT 10 Jan 93

[Excerpts] Yesterday afternoon, after satisfactorily finishing all items on the agenda, the First Session of the Seventh Qinghai Provincial Chinese People's Political Consultative Conference [CPPCC] closed in Xining. [passage omitted]

The session participants called on CPPCC organizations and CPPCC members at all levels across the province and people of all nationalities and from all sectors to rally more closely around the CPC Central Committee with Comrade Jiang Zemin as the core. With the leadership of the Qinghai Provincial CPC Committee and with the guidance of the spirit of the 14th CPC National Congress, they should actively take action and devote themselves to the great practice of reform, opening, and modernization, and should struggle arduously for the great cause of invigorating Qinghai and peacefully reuniting the motherland. [passage omitted]

At the closing ceremony, Yin Kesheng, provincial CPC secretary, sent warm congratulations on the successful gathering of the session on behalf of the Qinghai Provincial CPC Committee and hoped that CPPCC organizations and CPPCC members at all levels across the province would adhere to the party's basic line, take economic construction as the center, continuously open new prospects for CPPCC work, do their utmost in their posts, and fulfill their duties with a view to consolidating and developing a united and stable political situation. Yin Kesheng also hoped that CPC organizations at all levels would uphold and improve the CPC's leadership of CPPCC work.

Han Yingxuan, provincial CPPCC chairman, delivered a closing speech at the session. Bainma Dandzin and Han Shenggui, acting chairmen of the First Session of the Seventh Provincial CPPCC, presided over the closing ceremony. Provincial CPPCC Vice Chairmen Liao Aiting, Song Bu, Gu Jiasai, Zhaxi Anjia, (Cheng Buyun), (Ajia Luosanghaodan), (Li Xihong), (Ma Jinxiao) attended the closing ceremony and were seated at the front of the platform.

Xinjiang Reelects Tomur Dawamat as Chairman*OW1901075793 Beijing XINHUA Domestic Service in Chinese 0124 GMT 19 Jan 93*

[Text] Urumqi, 19 Jan (XINHUA)—The First Session of the Eighth Xinjiang Uygur Autonomous Regional People's Congress on 18 January elected Amudun Niyaz (Uygur nationality) chairman of the Standing Committee of the regional people's congress and elected Tomur Dawamat (Uygur nationality) chairman of the regional people's government.

7th Xinjiang CPPCC Committee Holds 1st Session*OW1301121993 Urumqi Xinjiang Television Network in Mandarin 1655 GMT 8 Jan 93*

[From the "Xinjiang News" program]

[Text] Carrying the great trust placed in them by the people of all nationalities and all strata and advancing with firm and confident steps, more than 400 Chinese People's Political Consultative Conference [CPPCC] members from various areas of Xinjiang entered the People's Hall of Xinjiang in high spirits, beaming with satisfaction. [video opens with a long shot showing the session participants entering the meeting hall and cuts to closeup shots of leaders, including Wang Enmao, Song Hanliang, and Tomur Dawamat, seated at the front row of the rostrum. Video also shows panned shots of other leaders seated at the rostrum]

The First Session of the Seventh Xinjiang Uygur Autonomous Regional CPPCC Committee opened in Urumqi on the afternoon of 8 January. The session was declared open at 1430 [0630 GMT]. Janabil, executive chairman of the session presidium, presided over the session. Seated at the front row of the rostrum were Wang Enmao, vice chairman of the National CPPCC Committee; Ba Dai, chairman of the Sixth Xinjiang Uygur Autonomous Regional CPPCC Committee; and executive chairmen of the presidium of the First Session of the Seventh Xinjiang Uygur Autonomous Regional CPPCC Committee, including Janabil, Feng Dazhen, Yibulayin Rouzi, Deyal Khulmash, Wang Shizhen, Han Youwen, Aronghanaji, and (Hashimulat). Regional leaders, including Song Hanliang, Tomur Dawamat, Li Shoushan, Amudun Niyaz, Zhang Fusen, Wang Lequan, and Keyum Bawudun offered their congratulations at the session.

To begin, the namelist of the executive chairmen of the presidium of the first session of the seventh regional CPPCC committee was announced. The session then adopted the namelist of the chairman, vice chairman, and members of the motions committee of the seventh regional CPPCC committee.

This session is a very important meeting for the region because it is being held in the situation in which people

at all levels are studying in depth and implementing in an all-around way the guidelines of the 14th CPC National Congress and the Fifth Enlarged Session of the Fourth Xinjiang Autonomous Regional CPC Committee; are further emancipating their minds, bolstering their spirit, and working conscientiously; are deepening reform, opening wider to the outside world, and accelerating modernization construction in the autonomous region in an all-around way; and are striving to advance Xinjiang's economic development to a new level. The session participants will elect the chairman, vice chairmen, secretary general, and Standing Committee members of the Seventh Xinjiang Autonomous Regional CPPCC Committee; hear the work report of the Standing Committee of the sixth autonomous regional CPPCC committee; attend the first session of the eighth autonomous regional people's congress as nonvoters; and hear and discuss the government work report and other important reports.

Ba Dai, chairman of the Sixth Xinjiang Uygur Autonomous Regional CPPCC Committee, delivered the work report of the committee. Ba Dai said: Since its formation in January 1988, the sixth regional CPPCC committee, taking advantage of its superiority in intellectual power, has actively taken part in the administration and discussion of state affairs; has rendered service in promoting the region's economic and social development; has strengthened the study of theories by its members to enhance their faith in socialism; has strengthened members' initiative and enthusiasm to make suggestions and work for the implementation the party's basic line of "one center, two points"; has consistently publicized and implemented the party's nationality policy to enhance national unity; has rendered service to safeguarding and developing the political situation of unity and stability in the region; has improved the work system; and has made political consultations and democratic supervision a regular and institutionalized system. As a result, the work of handling motions has been improving, and there is marked improvement in efficiency. New progress has been made in the work of compiling historical accounts and past events and in forging friendly relations with people living in mountainous regions. The sixth regional CPPCC committee has forged closer ties with city and county CPPCC committees, has provided them with better guidance on professional work, has improved itself organizationally, and has adapted itself to the needs of the new situation.

In conclusion, Ba Dai made some suggestions for improving the region's CPPCC work in the future.

Also seated at the rostrum were leaders of the the autonomous region and of the Xinjiang Production and Construction Corps under the Xinjiang Military District, including Guo Gang, Zhou Shengtao, Zhou Guofu, Hailiqiemu Silamu, Pan Zhaomin, Chen Xifu, Li Jiayu, Mao Dehua, Li Donghui, Fu Wen, Meihemaiti Simayi,

(Zhang Xiqin), (Simayi Yashenov), (Tuerxi Ataula), Sawdanov Zayir, Mahinur Kasim, Shi Geng, Sersibik Istik, Zhang Shaopeng, Ma Mingliang, Kurban Ali, Abdurehim Litip, Xu Peng, Turbayim, Abulayofu, Tayier Maimaitili, Zhao Ganqing, Ga Wenxiang, (Liu Zimo), Gao Huanchang, (Ning Gebai), (Wang Heting), (Meng Shulin), (Anniwaerhan Baba), (Feng Da), (Xie Gaozhong), and (Mamutuo Kuorban), as well as members of the presidium and some veteran comrades.

Committee Reelects Chairman

OW1801211093 Beijing XINHUA Domestic Service in Chinese 0215 GMT 17 Jan 93

[Text] Urumqi, 17 Jan (XINHUA)—The First Session of the Seventh Xinjiang Uygur Autonomous Regional Committee of the Chinese People's Political Consultative Conference, which closed on 16 January, elected Janabil chairman of the committee.

Wan Li Meets Taiwan Deputies Elected to NPC

OW1401043293 Beijing XINHUA Domestic Service in Chinese 0816 GMT 13 Jan 93

[Text] Beijing, 13 Jan (XINHUA)—Wan Li, chairman of the National People's Congress [NPC] Standing Committee, received approximately 100 representatives of native Taiwanese and had a group photo taken with them in the Great Hall of the People today. The representatives had attended a consultative meeting on election of deputies of Taiwan Province to the eighth NPC.

Present at the reception were vice chairmen of the NPC Standing Committee, Ngapoi Ngawang Jigme, Seypidin Aze, Yan Jici, and Ni Zhifu.

The representatives yesterday elected 13 deputies from Taiwan Province to the eighth NPC.

Taiwan Investments on Mainland Reach New Levels

OW0901095193 Beijing XINHUA Domestic Service in Chinese 1015 GMT 4 Jan 93

[By reporters Wan Hongqian (8001 4767 1730) and Wu Ming (0702 2494)]

[Text] Beijing, 4 Jan (XINHUA)—In 1992, which just ended, economic exchanges and cooperation between the two sides of the Taiwan Strait have continued to expand at a fast pace. The contract volume of investments by Taiwan businessmen in the entire year is expected to surpass the aggregate volume of previous years. The volume of trade between the two sides in the first 10 months of 1992 increased more than 30 percent over 1991. Exchanges are expanding, while cooperation is becoming closer.

The following phenomena are sufficient to reflect the above situation. In Shanghai, the first to sign a contract to invest and begin work in the Pudong development zone was the Shanghai International Trade Center run by Taiwan businessmen; in bidding for the Pudong golf course, in which more than a dozen foreign businessmen took part, a Taiwan businessman won the bid with \$30.9 million; the most expensive piece of land in Shanghai's urban district was purchased by a Taiwan businessman. In Beijing, as soon as the announcement on the lifting of restrictions on real estate and retail businesses was made in May last year, Taiwan businessmen, in quick succession, began to make their appearance in Beijing's busiest district; one day, an investment and trading service company in Beijing, run by a Taiwan businessman, provided consultation service to more than 60 Taiwan businessmen. Even in Sichuan, an inland province of China, Taiwan businessmen invested huge amounts of money to renovate the Jinjiang Hotel and develop the Wenjiang district.

The data provided by the Ministry of Foreign Economic Relations and Trade give an overall view of the development of economic and trade exchanges and cooperation between the two sides of the strait: From January to September 1992, Taiwan businessmen invested in 3,750 projects on the mainland, with the contract volume amounting to \$2.97 billion. The aggregate contract volume of investments by Taiwan businessmen before this period was only \$3.43 billion. The figure shows that Taiwan investment now ranks third among foreign investments in Mainland China and is following closely behind the United States' investment of \$6.55 billion.

After analyzing the characteristic of investments on the mainland by Taiwan businessmen in 1992, it is not difficult to see that there are signs of increased investment confidence.

Analysts have observed that in 1992 more than two-thirds of Taiwan's 100 largest enterprises sent representatives to the mainland to tour various areas or to discuss matters of cooperation, and the representatives were board directors or high-ranking managers. A group of the most powerful young entrepreneurs in Taiwan has also sent a delegation to the mainland to seek cooperation opportunities.

The change in the form of investment has also attracted attention. Judging from the situation in the first nine months of 1992, the number of joint ventures reached 2,429, accounting for 64.8 percent of the total number of investment projects, thus reversing the earlier situation in which Taiwan businessmen, lacking investment confidence, were inclined to the method of sole investment or cooperation.

The expansion in the area and scale of investment also reflects, from another angle, the increased investment confidence. The trend of the last few years toward rather unitary investment in the processing industry shifted in 1992 to long-term investments in the fields of real estate, transportation, construction, high technology, and the service industry; the average amount of investment in each project in 1992 was larger than in 1991. Some large projects carried an investment tag of over \$10 million or even over \$100 million.

Economic experts and leaders of departments concerned maintained that the remarks made by Comrade Deng Xiaoping during his South China tour at the beginning of last year and the 14th CPC National Congress have accelerated the pace of reform, opening up, and economic construction throughout the country; set in motion the building of a socialist market economy; and improved the investment environment. All this has created a historic opportunity for the development of economic and trade exchanges and cooperation between the two sides of the strait. Over the past few years, many Taiwan businessmen invested on the mainland to seek survival, as the investment environment on the island deteriorated, but now they invest on the mainland to

seek further development because the prospects are promising; this general trend cannot be reversed.

Cross-Strait Trade Exceeds \$9 Billion in 1992

HK1501034093 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 0849 GMT 27 Dec 92

[By Zhuo Ling (0587 5376)]

[Text] Hong Kong, 27 Dec (ZHONGGUO TONGXUN SHE)—According to the latest Hong Kong customs statistics, from January to October this year, the volume of cross-strait entrepot trade via Hong Kong totaled \$6.042 billion. Based on this figure, the Taipei Trade Center in Hong Kong estimates that the total volume of cross-strait entrepot trade via Hong Kong will exceed \$7 billion this year. If parts not included in Hong Kong customs statistics are added, Taiwan economic experts estimate that the volume of cross-strait entrepot trade will top \$9 billion in 1992.

Lee Chian, managing director of the Hong Kong Taipei Trade Center, said that Taiwan products marketed to the mainland via Hong Kong can be divided into two types: First, goods shipped from Taiwan to the mainland via Hong Kong customs; these cross-strait entrepot trade figures are usually quoted by official Taiwan organs; and, second, goods first marketed to Hong Kong and processed, packed, stored, or redistributed to retailers in Hong Kong and then transported to the mainland. This sort of trade is not included in Hong Kong customs' figures. According to estimates by Taiwan economic experts, the volume of this sort of trade will reach \$2 billion this year. For this reason, Lee Chian estimated that the volume of cross-strait entrepot trade, which adds the two types of trade, will reach \$9 billion in 1992 and will exceed \$10 billion next year.

Zhejiang Increases Exchanges With Taiwan

OW1601061793 Beijing XINHUA in English 0535
GMT 16 Jan 93

[Text] Hangzhou, January 16 (XINHUA)—Exchanges and co-operation between eastern China's Zhejiang Province and Taiwan have been booming over the past decade.

According to statistics, the province had approved the establishment of 542 enterprises involving investment from Taiwan business people by the end of November last year.

These enterprises involved a total investment of 814 million U.S. dollars, of which 378 million U.S. dollars came from Taiwan.

Last year saw business people from Taiwan invest a record 1.4 billion U.S. dollars in Zhejiang via third territory or partner.

Three out of the six largest Taiwan-funded projects, each with an investment of at least 50 million U.S. dollars on the mainland, are in Zhejiang Province.

The province received more than 300,000 arrivals from Taiwan last year and sponsored exhibitions of paintings and ancient coins, and sports activities. It also carried out exchanges in the fields of medicine, publications, science and technology.

Cooperation To Begin With Taiwan on Fisheries

HK1901045093 Beijing CHINA DAILY in English 19
Jan 93 p 2

[Article by our staff reporter Wu Yunhe: "Mainland, Taiwan To Co-op on Fisheries"]

[Text] The Chinese mainland and Taiwan are to launch a number of key fishery projects "in the near future."

In an interview with China Daily, senior fishery expert Qian Zhilin said that aquatic experts and entrepreneurs are showing interests in jointly developing the fish breeding industry, oceanic fishing and fish processing.

Qian, director of the China Fishery Association, noted that a seminar on the development of oceanic fishery co-operation across the Taiwan Strait is expected to open in Taipei in the early part of this year.

He said if the meeting is concluded successfully, there will be major breakthroughs in such co-operative fields as seafood production and the prevention of fish resource deterioration between the Chinese mainland and Taiwan.

"We plan to send a delegation composed of major Chinese fishery experts and businessmen to attend the seminar in Taipei," Qian said.

He added that the anticipated meeting is expected to be a success following the first seminar on the co-operative development of seafood breeding across the Taiwan Strait, which concluded in Beijing on December 23 last year.

The three-day meeting in the Great Hall of the People, the first of its kind since 1949, summoned 60 senior fishery experts and entrepreneurs from the mainland and Taiwan.

Up to 19 experts and entrepreneurs from Taiwan attended the meeting, including Liao I-Chiu, executive director of the Chinese Taiwan Fishery Association and Liu Hsi-Chiang, director of the Asian Fishery Association.

The Beijing meeting provided a chance for participants to concentrate their talks on economic co-operative proposals and technical collaborating possibilities in seafood breeding and in the prevention and treatment of fish diseases.

Qian said that both sides agreed to further their contacts in 1993 in order to pave the way for promoting co-operation on fisheries across the Taiwan Strait.

"Both the Chinese mainland and Taiwan are considering mastering the world's latest technology in many sectors of the fishery industry," he added.

The Chinese mainland is now keen to join hands with Taiwan to hone the competitiveness of their fishery industry to world market levels.

It is believed that the Chinese mainland and Taiwan's fishery associations are considering a package of fishery co-operatives, especially in the fields of oceanic fishing and seafood processing.

The two associations across the Taiwan Strait began working to this end in 1990.

Taiwan, U.S. Initial Trade Consultation Pact

OW1601065893 Taipei China Broadcasting Corporation News Network in Mandarin 2300 GMT 15 Jan 93

[From the "Lookup" program]

[Text] The Republic of China [ROC] and the United States have initialed a draft agreement in Washington on the framework concerning principles and procedures of trade and investment consultations. The initialing of the agreement, which came early this morning [16 January] Taipei time, sets up an official channel for ROC-U.S. economic consultations. The two sides have agreed to sign the Chinese version of the agreement, which outlines new means for signing agreements between the two countries.

As for the ROC's request for signing a bilateral agreement based on the Montreal Protocol, the United States maintains that since the U.S. Government's Federal Bulletin has already explicitly stated that the ROC will not be a target of retaliation, such a bilateral agreement is not necessary. Therefore, the two sides will consult with each other again and temporarily postpone the signing of such an agreement.

The ROC and the United States also agreed to establish a joint trade and investment committee as a channel for regular consultations between the two countries. According to the Board of Foreign Trade [BOFT], the signing of the agreement has ushered in a new era in ROC-U.S. relations. With the institutionalization of a ROC-U.S. consultation channel, the next step for our country will be to request that the United States hold consultations on the signing of an agreement on a ROC-U.S. free trade zone. The BOFT also has said that the Chinese and English versions of the draft and formal agreement are equally authentic and that they will be given to the relevant departments for future reference.

Economic Minister's Reaction

OW1801084793 Taipei CNA in English 0738 GMT 18 Jan 93

[Text] Taipei, Jan. 18 (CNA)—The signing of a draft agreement on trade and investment framework between Taiwan and the United States will pave the way for a free trade pact between the two countries, Economic Affairs Minister Hsiao Wan-chang said over the weekend.

The draft pact was inked in Washington, D.C. last Friday [15 January] by representatives of the American Institute in Taiwan (AIT) and the Coordination Council for North American Affairs (CCNAA) after three days of talks.

Hsiao said he was elated over the signing of the trade framework agreement, which will establish a channel for consultations, thereby helping remove trade barriers between the two sides.

Under the accord, a permanent council will be jointly set up to deal with trade and investment flows between Taipei and Washington.

The agreement will become effective after the approval by both governments.

Within six months after the pact goes into force, Hsiao pointed out, the two sides will enter into negotiations on environmental protection, the settlement of trade disputes, protection of intellectual property rights, and Taiwan's membership in the General Agreement on Tariffs and Trade.

The minister expressed the hope that the two sides will soon sign a bilateral agreement on the phase-out of chlorofluorocarbons (CFCs) to better protect the interests of domestic manufacturers.

Currently, he noted, Taiwan products will not be retaliated by the United States, which announced recently in its federal gazette that it views Taiwan as the equivalent of a signatory of the Montreal Protocol.

The protocol, which advocates a ban on CFCs to protect the earth's ozone layer, passed a resolution at its council meeting last November pledging to impose trade sanctions against non-member countries, who do not enforce the ban.

Trade between the two countries totaled US\$39.34 billion last year, of which Taiwan's exports amounted to US\$23.57 billion and imports US\$15.77 billion, thus posting a balance of US\$7.8 billion in favor of Taiwan.

Taiwan's trade surplus with the United States in 1992, however, represented a substantial decline from 1990, which saw a favorable balance of about US\$10 billion.

Editorial Views Pact

OW1701031193 Taipei CNA in English 1402 GMT 16 Jan 93

[Editorial from the 16 January EXPRESS NEWS: "Sino-U.S. Trade Agreement"]

[Text] Taipei, Jan. 16 (CNA)—Taipei and Washington decided Friday [15 January] to sign a trade and investment framework agreement following three days of talks in the U.S. capital. It augurs well for further expansion of economic ties between the two countries.

The agreement comes at time when the two countries have already made significant progress in solving some of the long-standing problems in their trade which amounted to US\$39.334 billion last year. Even though the island still registered a trade surplus of US\$7.8 billion with the United States, its imports from that country grew by a hefty 11.7 percent last year to US\$15.772 billion. On the other hand, its exports to the United States increased only 5.6 percent to US\$23.572 billion.

The agreement will be able to build on the progress by establishing a formal channel of regular consultation between the two sides on trade and investment issues.

Currently, trade talks are held when there are disputes between the two sides. After the signing of the agreement, a joint council will be established to review trade and investment flows to actively identifying both opportunities and potential problems in their economic activities.

As trade authorities will also be represented in the council, it will have both the carrot and stick to facilitating the expansion of two-layer trade and investment [words indistinct] a level playing field for the business communities. During the negotiating process, the two sides pledged to approach the agreement in a spirit of cooperation and mutual benefits and recognize the importance of fostering an open and predictable environment for trade and investment activities.

In fact, Taipei attaches great importance to its economic ties with Washington because the United States has the potential of replacing Japan as the island's main source of technology that it needs to stay competitive. As Tokyo still turns a deaf ear to Taipei's demand for efforts to reduce its trade surplus with the island, which exceeded US\$12 billion last year, the agreement with Washington will inevitably take on additional significance.

U.S. Nuclear Regulatory Expert in Taipei

OW1501093193 Taipei CNA in English 0836 GMT
15 Jan 93

[Text] Taipei, Jan. 15 (CNA)—Ivan Selin, chairman of the US Nuclear Regulatory Commission, flew into Taipei Thursday [14 January] for a four-day visit.

Selin, who first visited Taiwan 20 years ago, said he is here to gain a better understanding of local nuclear power generation projects.

While here, Selin will call on Economic Affairs Minister Hsiao Wan-chang and ranking officials of the Taiwan Power Co. [Taipower], Taiwan's sole power supplier. He will also visit a nuclear power plant in northern Taiwan.

The commission is the US federal government unit in charge of safety and environmental protection affairs in the peaceful use of nuclear energy.

Selin's arrival has aroused speculation that he came here to serve as a "lobbyist" for three American companies intending to bid for Taipower's fourth nuclear power plant project, estimated to cost as much as NT\$200 billion [new Taiwan] (US\$7.9 billion).

Sources said Taipower will shortly open bidding to the world's major qualified suppliers of nuclear power generation facilities.

The US is the supplier to Taipower's three nuclear-fueled power plants. However, the sources noted, the strenuous efforts by Framatome of France to win the project have posed a great threat to the three American firms.

Framatome, the sources claimed, has promised to come up with preferential trading terms and technology transfers should it win the project.

Meets Power Company Chairman

OW1601091093 Taipei CNA in English 0825 GMT
16 Jan 93

[Text] Taipei, Jan. 16 (CNA)—Ivan Selin, chairman of the United States Nuclear Regulatory Commission, Friday [15 January] called on Chang Chung-chien, chairman of Taiwan Power Company.

Selin heard a briefing on nuclear power generation in the Republic of China [ROC] and the construction plan of the fourth nuclear power plant.

The US nuclear regulation expert arrived here Thursday for a four-day visit at the invitation of the Atomic Energy Council. He said at a press conference Friday that he was not here to lobby for American companies bidding for the fourth nuclear power plant project.

Three American companies are attending the bid for the NT\$ [new Taiwan dollars] 160 billion Taipower project. Selin's meetings with Economics Minister Hsiao Wan-chang and the Taipower executives Friday have given rise to speculation about the purpose of his brief stay here.

Delegation Asks ROK To End Flag Prohibition

OW1601085593 Taipei CNA in English 0837 GMT
16 Jan 93

[Text] Taipei, Jan. 16 (CNA)—The Ministry of Foreign Affairs Friday [15 January] repeated its concern over Seoul's ban on the raising of the ROC [Republic of China] national flag by the Chinese community in South Korea.

Foreign Ministry spokesman Ouyang Jui-hsiung told the press Friday that he hoped the South Korean Government would respect the free will of the Chinese community.

Ouyang asked Seoul to carefully handle the issue and suggested that it be discussed during negotiations over the new framework for relations between the two countries, which has not been fixed.

Seoul switched diplomatic recognition from Taipei to its longtime foe Peking last year. Since then, Taipei-Seoul ties have been uncertain.

Ouyang's statement came days after the Korean Foreign Ministry informed the Chinese community that the flying of the ROC national flag would be prohibited after Jan. 15 due to a lack of diplomatic relations between Taipei and Seoul.

Seoul, however, reportedly softened its position on the flag issue after a six-man delegation representing the Chinese community visited the Korean Foreign Ministry Friday, according to dispatches.

Meanwhile, the ROC Foreign Ministry denied reports that Korean expatriates in Taiwan have been treated unfairly in employment and applications for visa extensions.

The reports referred to the enactment of the employment and service law, which requires all foreigners here to renew their employment applications with the ROC Government. The law does not discriminate against Korean expatriates, the Ministry emphasized.

Vanuatu Premier Visits; Hopes for Commercial Ties

*OW1501112393 Taipei CNA in English 0804 GMT
15 Jan 93*

[Text] Taipei, Jan. 15 (CNA)—Vanuatu Prime Minister Maxime Carlot Kereman said here Thursday [14 January] that his country hopes to establish commercial relations with the Republic of China [ROC].

Carlot flew into Taipei Thursday to attend the annual World Freedom Day celebrations.

Carlot said economic development is his country's current priority. He hopes Taiwan businessmen will invest in Vanuatu to accelerate its development.

ROC Foreign Minister Chien Fu signed a joint communique with his Vanuatu counterpart during his visit to that country last September. In the communique, the two countries agreed to recognize each other as sovereign states, despite the absence of formal ties.

The South Pacific island nation established diplomatic relations with Mainland China in 1982.

Kuomintang Leaders Meet on Cabinet Resignations

*OW1801152993 Tokyo KYODO in English 1456 GMT
18 Jan 93*

[Text] Taipei, Jan. 18 KYODO—An extraordinary meeting of top-level leaders of the ruling Kuomintang (Nationalist Party) has decided that Premier Hao Po-tsun and his cabinet will resign on February 1, when Taiwan's first fully reelected legislature begins its first session, Taiwan television news reported Monday [18 Jan]0.

President Li Teng-hui, in his capacity as Kuomintang chairman, convened the meeting. Also in attendance were Vice President Li Yuan-zu, Hao, Tsiang Yien-si, secretary general to the president, Kuomintang Secretary General Sung Chu-yu and Judicial Yuan President Lin Yang-kang, the report said.

The meeting, which took place at the presidential office, also discussed the procedure for election of the speaker and vice speaker of the Legislative Yuan.

Li, Hao Agree on Resignation

*OW1901083993 Taipei CNA in English 0747 GMT
19 Jan 93*

[Text] Taipei, Jan. 19 (CNA)—President Li Teng-hui invited Premier Hao Po-tsun to his office for talks on major domestic political issues Monday [19 January].

The 50-minute talks proceeded in a friendly, cordial atmosphere, a presidential office press statement said.

The two government leaders exchanged views on the timing for Premier Hao and his entire cabinet to resign and ways of promoting unity and reform in the ruling Kuomintang [KMT].

According to the press release, both Li and Hao agreed that the cabinet should resign en masse before the newly elected second Legislative Yuan convenes on Feb. 1 so that the new legislators can exercise their power of consent on a new premier nominated by the president.

Premier Hao expressed the hope that his cabinet's resignation will set an example and serve to strengthen the country's political system.

Hao said he will tender his resignation to President Li after the KMT Central Standing Committee has approved his offer to quit.

During the meeting, Li praised Hao for his contributions to the country, saying that Hao should continue to dedicate himself to the ruling party after he resigns from the premiership.

In his capacity as KMT chairman, Li said he plans to form a policy guidance task force in the ruling party, with Hao as its convener.

Li also told Hao of his plan to revamp party apparatus and accelerate democratic reforms within the party. A special panel will be formed to prepare an agenda for the 14th party congress expected to be held this summer, he added.

Political analysts said Monday's Li-Hao meeting would help consolidate unity in party ranks and stabilize the domestic political situation.

Official Hails Enactment of Trade Regulation Law

*OW1501122293 Taipei CNA in English 0756 GMT
15 Jan 93*

[Text] Taipei, Jan. 15 (CNA)—The Republic of China [ROC] on Taiwan finally has its first-ever bill to regulate trade practices after the Legislative Yuan completed the third reading of the trade law Thursday [14 January].

The enactment of the law caps ten years of brewing, which started when the Board of Foreign Trade (BOFT) established a task force in May 1982 to work on the law draft.

Vice Economic Affairs Minister P. K. Chiang said that he was elated over the passage of the act, which will bring the country's trade policies more in line with international regulations.

The bill will not only have a positive impact on the promotion of free trade but will also better protect the interests of domestic manufacturers, Chiang stressed.

According to the law, the government will be empowered to impose trade retaliation against any foreign country which takes discriminative measures against Taiwan products.

The act stipulates that imports could be levied countervailing taxes or anti-dumping duties if it is proved they are selling here with their government subsidies or at unfair low prices.

Domestic enterprises hard hit by the dumping of imports could apply to the Ministry of Economic Affairs (MOEA) for investigation and import relief, which complies with the charter of the General Agreement on Tariffs and Trade (GATT).

Stating that the trade includes import and export of intellectual property rights such as trademarks, patents, and copyrights, the law ensures the free flow of all commodities except where concerning international agreements, national security, social order, culture, sanitation, and environmental protection.

The law requires that trade pacts, which the government signs with foreign countries, should be submitted to the Legislative Yuan for screening and approval.

In addition to advanced technologies, the bill also applies to trade affairs in export processing zones and science-based industrial parks.

Under the law, products to be imported and exported by military agencies should be listed in trade tallies to better reflect the country's trade conditions.

The MOEA is required to set up a trade promotion fund, for which the customs will collect service fees on exports and imports at a rate less than 0.05 percent of a product's price. The new measure will become effective July 1.

First Legislative Yuan Ends 18 Jan

*OW1901095893 Taipei CNA in English 0759 GMT
19 Jan 93*

[Text] Taipei, Jan. 19 (CNA)—After many twists and turns, the first Legislative Yuan, which has lasted for 45 years without full re-election, ended its 90th session late Monday [18 January] night.

The lawmakers agreed to end the session after holding Monday's plenary meeting.

The first legislature will be dissolved at the end of this month, according to an amendment to the Constitution passed last May.

The 125 lawmakers, who are supplementary members to the first legislature, will step down on Jan. 31, making way for the 161 new legislators elected in the Dec. 19 full parliamentary poll.

Only 60 incumbent legislators won their re-election bids in last month's poll.

The first legislature was formed in 1948 in Nanking, central China. Eighty-one senior lawmakers, who were elected in 1948 on the mainland, retired at the end of 1991 after being frozen in office for more than 40 years as part of the government's sovereignty claims over all China. Their retirement was part of a government plan to revamp the legislature.

The second Legislative Yuan will be inaugurated on Feb. 1.

Monday's legislative meeting was the last plenary session, which opened last Friday with a break of about 40 hours over the weekend. It was the longest plenary session in the history of the legislature.

The plenary session was held to review several urgent bills which had been stalled in the legislature due to frequent [words indistinct] between the ruling Kuomintang and the main opposition Democratic Progressive Party.

Nevertheless, the legislature managed to pass more than 20 important bills and a supplementary budget proposal during its 90th session which began last September.

Assemblymen Approve New Control Yuan Members

*OW1601090593 Taipei CNA in English 0832 GMT
16 Jan 93*

[Text] Taipei, Jan. 16 (CNA)—The National Assembly, after a marathon discussion, Friday [15 January] endorsed the nomination of Chen Li-an and Cheng Shui-chih as respective president and vice president of the watchdog Control Yuan.

National assemblymen for the first time exercised their right of approval on the nominees of the new Control Yuan members and the Yuan's president and vice president. The voting began late Friday night and lasted until four o'clock in the morning.

Of the 29 nominees picked by president Li Teng-hui, 25 received approval of the assemblymen. Four others, including three Kuomintang members and a Democratic Progressive Party member, failed to get a required minimum of 163 votes.

The new Control Yuan members will be inaugurated on Feb. 1, with their term of office lasting six years.

Chen, 55, has served as the minister of defense and economic affairs as well as minister without portfolio.

Cheng, 66, had been a legislator, interior minister, and chairman of the council of labor affairs before assuming

his present posts as advisor to the president and chairman of the Central Motion Picture Co.

The Kuomintang had ordered its caucus in the National Assembly to see to it that the balloting procedure be

finished during Friday's session no matter how long it took, which sources say was aimed at avoiding unexpected obstacles.

DPP deputies decided to stay away from the balloting after a 20-hour heated discussion with their KMT colleagues in the National Assembly's presidium.

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